



**CORPORATION OF THE TOWNSHIP OF SPRINGWATER**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**CORPORATION OF THE TOWNSHIP OF SPRINGWATER**

**CONSOLIDATED FINANCIAL STATEMENTS**

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## **CORPORATION OF THE TOWNSHIP OF SPRINGWATER**

**For The Year Ended December 31, 2020**

### **MANAGEMENT REPORT**

The accompanying consolidated financial statements of the Corporation of the Township of Springwater are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Township maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Township's assets are appropriately accounted for and adequately safeguarded.

The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Springwater. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

The consolidated financial statements have been audited by Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Baker Tilly KDN LLP has full and free access to Council.



Mayor



Director of Finance

July 7, 2021

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Springwater**

#### *Opinion*

We have audited the consolidated financial statements of the Corporation of the Township of Springwater and its local boards (the Township), which comprise the consolidated statement of financial position as at December 31, 2020, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2020, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Township's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Township or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Township's financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Township to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Baker Tilly KDN LLP***

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
July 9, 2021

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
At December 31, 2020**

	2020	2019
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (note 2)	14,150,808	13,866,489
Investments (note 4)	12,307,919	12,156,102
Trade and other receivable (note 5)	2,578,747	2,301,661
Taxes receivable	3,030,131	2,710,057
<b>TOTAL FINANCIAL ASSETS</b>	<b>32,067,605</b>	<b>31,034,309</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	8,762,984	6,468,917
Deferred revenue - obligatory reserve funds (note 9)	6,728,151	7,451,671
Deferred revenue - other (note 8)	99,765	64,697
Long term debt (note 10)	3,445,425	3,924,396
<b>TOTAL LIABILITIES</b>	<b>19,036,325</b>	<b>17,909,681</b>
<b>NET FINANCIAL ASSETS</b>	<b>13,031,280</b>	<b>13,124,628</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 11)	157,330,488	151,562,128
Prepaid expenses	198,869	171,549
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>157,529,357</b>	<b>151,733,677</b>
<b>ACCUMULATED SURPLUS (note 12)</b>	<b>170,560,637</b>	<b>164,858,305</b>

*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**



**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
<b>REVENUES</b>			
Property taxation	15,716,573	15,808,896	15,080,165
User charges	5,953,415	6,233,099	5,985,172
Government of Canada	3,000	21,364	202,584
Province of Ontario	1,060,001	1,205,317	1,817,892
Other municipalities	214,300	139,887	268,809
Penalties and interest on taxes	385,000	394,470	393,211
Investment income	225,000	263,657	489,151
Donations	76,500	25,256	98,749
Other	52,420	893,565	61,577
Developer contributions earned	7,170,437	3,773,176	1,841,869
Parkland fees earned	350,000	350,000	57,032
Federal gas tax earned	1,087,820	733,395	640,902
Ontario Community Infrastructure Fund	-	265,590	466,553
Gain/(loss) on disposal of tangible capital assets	-	10,449	30,989
<b>TOTAL REVENUES</b>	<b>32,294,466</b>	<b>30,118,121</b>	<b>27,434,655</b>
<b>EXPENSES</b>			
General government	4,039,399	3,547,424	3,382,359
Protection services	5,770,637	5,684,571	5,596,414
Transportation services	8,180,229	7,394,808	7,508,693
Environmental services	4,208,004	4,002,106	3,513,399
Health services	32,960	32,890	28,647
Recreation and cultural services	3,548,194	2,868,136	3,296,071
Planning and development	1,346,892	885,854	668,453
<b>TOTAL EXPENSES</b>	<b>27,126,315</b>	<b>24,415,789</b>	<b>23,994,036</b>
<b>ANNUAL SURPLUS</b>	<b><u>5,168,151</u></b>	<b>5,702,332</b>	<b>3,440,619</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>164,858,305</b>	<b>161,417,686</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>170,560,637</b>	<b>164,858,305</b>

*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**



**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
<b>ANNUAL SURPLUS</b>	5,168,151	5,702,332	3,440,619
Amortization of tangible capital assets	5,317,558	5,449,784	5,317,558
Purchase of tangible capital assets	(15,200,000)	(11,207,695)	(7,748,908)
Loss/(gain) on disposal of tangible capital assets	-	(10,449)	9,477
Change in prepaid expenses	-	(27,320)	(16,749)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(4,714,291)	(93,348)	1,001,997
<b>NET FINANCIAL ASSETS - beginning of year</b>	13,124,628	13,124,628	12,122,631
<b>NET FINANCIAL ASSETS - end of year</b>	8,410,337	13,031,280	13,124,628

*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**



**CONSOLIDATED STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2020**

	2020	2019
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	5,702,332	3,440,619
Items not involving cash		
Amortization of tangible capital assets	5,449,784	5,317,558
Loss/(gain) on disposal of tangible capital assets	(10,449)	9,477
Change in non-cash assets and liabilities		
Trade and other receivable	(277,086)	(469,676)
Taxes receivable	(320,074)	64,110
Prepaid expenses	(27,320)	(16,749)
Accounts payable and accrued liabilities	2,294,067	(1,602,224)
Deferred revenue - obligatory reserve funds	(723,520)	30,434
Deferred revenue - other	35,068	(1,463)
<b>Net change in cash from operating activities</b>	<b>12,122,802</b>	<b>6,772,086</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(11,207,695)	(7,748,908)
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(12,307,919)	(12,166,919)
Redemption of investments	12,156,102	21,278,404
<b>Net change in cash from investing activities</b>	<b>(151,817)</b>	<b>9,111,485</b>
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments	(478,971)	(465,298)
<b>NET CHANGE IN CASH</b>	<b>284,319</b>	<b>7,669,365</b>
<b>CASH - beginning of year</b>	<b>13,866,489</b>	<b>6,197,124</b>
<b>CASH - end of year</b>	<b>14,150,808</b>	<b>13,866,489</b>

*The accompanying notes are an integral part of these financial statements*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

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The Township of Springwater is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

**1. SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned and controlled by the Township. These consolidated financial statements include:

- Springwater Township Public Library Board
- Elmvale Business Improvement Area
- Anten Mills Community Recreation Association
- Midhurst Community Recreation Association
- Phelpston Community Recreation Association
- Grenfel Community Recreation Association
- Minesing Community Recreation Association
- Hillsdale Community Recreation Association
- Elmvale Community Recreation Association
- Springwater Sports Heritage Committee
- Springwater Community Policing Committee
- Midhurst Union Cemetery

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Trust Funds

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(d) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Township because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

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**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

(e) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	15 years
Buildings	50 years
Vehicles, machinery and equipment	5 to 20 years
Furniture and fixtures	10 years
Roads	30 to 50 years
Water and waste water systems	25 to 100 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

(f) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(g) Use of Estimates

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements or changes in such estimates in future periods could be significant. The Township's significant estimates include:

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

(h) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

**Taxation**

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

**Government Funding**

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

**Other Revenue**

Development charges, gas tax, parkland fees and Ontario Community Infrastructure Funds are recognized in the period in which the related expenditures are recorded.

Interest income is recorded and recognized when earned.

User charges are recognized as revenue in the year the goods and services are provided, with the exception of building permits that are recognized when the permits are issued.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

**2. CASH**

	2020	2019
	\$	\$
Unrestricted	4,405,963	5,267,394
Restricted	9,744,845	8,599,095
	<b>14,150,808</b>	<b>13,866,489</b>

Restricted funds are comprised of development charges, parkland fees, and gas tax funding.

**3. CREDIT FACILITY AGREEMENT**

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$2,000,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate less 0.75% per annum. Council authorized the temporary borrowing limit by By-law 2020-001. At December 31, 2020 there was no balance outstanding (2019 - \$Nil).

**4. INVESTMENTS**

Investments consist of the following:

	2020 Annual Interest	2020 \$	2019 \$
GIC maturing July 15, 2021	0.84%	12,387	10,902
ONE fund investment		12,295,532	12,145,200
		<b>12,307,919</b>	<b>12,156,102</b>

**5. ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following:

	2020 \$	2019 \$
Government of Canada	374,733	432,329
Government of Ontario	469,974	497,040
User fees - water and sewer	263,569	283,246
Other	1,470,471	1,089,046
	<b>2,578,747</b>	<b>2,301,661</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

**6. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF SIMCOE**

During 2020, requisitions were made by the County of Simcoe and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxation	7,575,197	10,763,677
Taxation from other governments	23,168	109,293
<b>Amounts requisitioned and remitted</b>	<b>7,598,365</b>	<b>10,872,970</b>

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

**7. BUDGET FIGURES**

The budget, approved by the Township, for 2020 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

**8. DEFERRED REVENUE - OTHER**

Included in deferred revenue - other are the following amounts:

	2020 \$	2019 \$
Water and sewer	68,637	64,697
Other	31,128	-
	<b>99,765</b>	<b>64,697</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

**9. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS**

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized below:

	2020	2019
	\$	\$
Development charges	3,635,822	4,901,087
COVID relief	365,515	-
Parkland fees	612,439	781,585
Federal gas tax	1,344,693	1,481,151
Ontario Community Infrastructure Fund	769,682	287,848
	<b>6,728,151</b>	<b>7,451,671</b>

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2020	2019
	\$	\$
Balance - beginning of year	7,451,671	7,421,237
Add amounts received:		
Development charges	2,436,448	763,203
Federal gas tax	578,178	1,169,408
Ontario Community Infrastructure Fund	741,961	747,350
Interest	105,739	209,829
COVID relief funding	489,900	-
Parkland fees	170,800	147,000
	<b>4,523,026</b>	<b>3,036,790</b>
Less transfer to operations:		
Development charges earned	3,773,176	1,841,869
Federal gas tax earned	733,395	640,902
Parkland fees earned	350,000	57,032
Ontario Community Infrastructure Funds earned	265,590	466,553
COVID relief funding earned	124,385	-
	<b>5,246,546</b>	<b>3,006,356</b>
Balance - end of year	<b>6,728,151</b>	<b>7,451,671</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

**10. LONG TERM DEBT**

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2020 \$	2019 \$
Ontario Infrastructure Projects Corporation debenture repayable in blended semi-annual installments of \$79,147 including principal and interest with interest of 4.26%, due October 2030	1,278,081	1,378,703
Green Municipal Fund debenture repayable in blended semi-annual installments of \$60,914 including principal and interest with interest of 2.00%, due July 2030	1,099,202	1,197,537
Ontario Infrastructure Projects Corporation debenture repayable in blended semi-annual installments of \$65,707 including principal and interest with interest of 2.82%, due July 2023	375,495	493,812
Ontario Infrastructure and Lands Corporation debenture repayable in blended semi-annual installments of \$92,003 including principal and interest with interest of 2.74%, due September 2024	692,647	854,344
	<b>3,445,425</b>	<b>3,924,396</b>

- (b) The long term debt in (a) issued in the name of the Township have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (c) The Township acts as a collection agency for the Province of Ontario for tile drainage loans for individual ratepayers. The value of these loans outstanding at December 31, 2020 is \$109,272 (2019 - \$63,266).
- (d) Interest paid during the year on long term debt amounted to \$111,681 (2019 - \$125,268).
- (e) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2021	493,153	102,389	595,542
2022	507,703	87,840	595,543
2023	522,737	72,805	595,542
2024	405,890	58,239	464,129
2025	232,898	47,224	280,122
2026 and subsequent years	1,283,044	117,577	1,400,621
	<b>3,445,425</b>	<b>486,074</b>	<b>3,931,499</b>

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

**11. TANGIBLE CAPITAL ASSETS**

The net book value of the Township's tangible capital assets are:

	2020	2019
	\$	\$
General		
Land and land improvements	33,818,824	29,994,036
Buildings	12,399,396	12,238,544
Vehicles machinery and equipment	7,914,466	6,118,571
Furniture and fixtures	10,670	10,670
Books	208,459	204,077
Infrastructure		
Roads	68,173,865	66,865,530
Water	22,495,154	22,438,083
Sewer	10,444,738	10,482,972
	155,465,572	148,352,483
Assets under construction	1,864,916	3,209,645
	157,330,488	151,562,128

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2019 - \$Nil) and no interest capitalized (2019 - \$Nil).

	2020	2019
	\$	\$
General government	14,692,327	10,494,655
Protection services	5,032,695	3,376,502
Transportation services	92,073,868	92,467,439
Environmental services	36,594,625	36,442,314
Health services	8,049	8,049
Recreation and cultural services	8,928,924	8,773,169
	157,330,488	151,562,128

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

**12. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
<b>Surplus/(Deficit)</b>		
Township	-	15,285
Municipal drains	(130,883)	(73,126)
	(130,883)	(57,841)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	157,330,488	151,562,128
Long term debt	(3,445,425)	(3,924,396)
Unfunded roads capital projects	(4,954,590)	(4,792,770)
	148,930,473	142,844,962
<b>Surplus</b>	148,799,590	142,787,121
<b>Reserves</b>		
Working funds	1,043,198	1,394,162
Capital asset acquisitions	7,249,948	6,981,540
General operations	3,003,536	3,101,459
<b>Total Reserves</b>	11,296,682	11,477,161
<b>Reserve Funds</b>		
Capital assets acquisitions	10,323,286	10,516,020
Recreation programs and facilities	141,079	78,003
<b>Total Reserve Funds</b>	10,464,365	10,594,023
	170,560,637	164,858,305

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

**13. EXPENSES BY OBJECT**

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
Salaries and benefits	8,970,611	8,378,943	8,142,859
Interest charges	273,278	111,681	125,268
Materials	6,434,559	4,885,377	5,081,192
Contracted services	5,777,780	5,251,282	5,022,101
Rents and financial	71,350	64,697	68,771
External transfers	281,179	274,025	236,287
Amortization	5,317,558	5,449,784	5,317,558
	<b>27,126,315</b>	<b>24,415,789</b>	<b>23,994,036</b>

**14. TRUST FUNDS**

Trust funds administered by the Township amounting to \$208,691 (2019 - \$182,848) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

**15. PENSION AGREEMENTS**

Certain employees of the Township are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2020 Annual Report disclosed total actuarial liabilities of \$113,055 million in respect of benefits accrued for service with actuarial assets of \$109,844 million indicating an actuarial deficit of \$3,211 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2020 were \$565,299 (2019 - \$505,096).

**16. CONTINGENT LIABILITIES**

The Township, in the course of its operations, is often named in lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

## **17. SEGMENTED INFORMATION**

The Township of Springwater is a municipal government organization that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

### **General Government**

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

### **Protection Services**

Protection services include police, fire, conservation authority and protective inspection and control.

### **Transportation Services**

The activities of the transportation function include construction and maintenance of the Township's roads and bridges, winter control and street lighting.

### **Environmental Services**

The environmental function is responsible for providing water and sewer services to ratepayers.

### **Health Services**

The health services function consists of the cemetery operations.

### **Recreation and Cultural Services**

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and library services.

### **Planning and Development**

The planning and development services function manages commercial, industrial and residential development within the Township.

**18. UNCERTAINTY CAUSED BY COVID-19**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic and the Township of Springwater declared a State of Emergency on March 23, 2020. The extent of the impact of this outbreak and related containment measures (such as closure of non-essential municipal operations, imposition of quarantines and social distancing) on the Township's operations has been significant.

The Provincial government has announced additional funding that will be applied toward funding the lost revenues and additional expenses that have resulted during fiscal 2020. Management expects the Township will have adequate cash flow to fund its operations throughout the crisis.

The Township can not estimate the length and gravity of the COVID-19 outbreak. If the pandemic continues, it may have a material adverse effect on the Township's results in fiscal 2021. The Township is continually monitoring and assessing new information and recommendations from health and other levels of government as it becomes available, and will continue to respond accordingly.

**CORPORATION OF THE TOWNSHIP OF SPRINGWATER**



**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
For the Year Ended December 31, 2020**

	General					Infrastructure			Assets Under Construction	Totals
	Land and Land Improvements	Buildings	Vehicles Machinery and Equipment	Furniture and Fixtures	Books	Roads	Water	Sewer		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>										
Balance, beginning of year	33,263,484	18,439,453	13,321,656	147,439	328,215	125,951,981	31,782,907	15,042,367	3,209,645	241,487,147
Add: additions during the year	4,180,570	540,917	2,539,165	-	45,312	2,967,080	415,245	178,115	341,291	11,207,695
Less: disposals during the year	-	-	511,175	-	-	-	-	-	-	511,175
Internal transfers	-	14,297	84,057	-	-	1,541,769	45,897	-	(1,686,020)	-
<b>Balance, end of year</b>	<b>37,444,054</b>	<b>18,994,667</b>	<b>15,433,703</b>	<b>147,439</b>	<b>373,527</b>	<b>130,460,830</b>	<b>32,244,049</b>	<b>15,220,482</b>	<b>1,864,916</b>	<b>252,183,667</b>
<b>ACCUMULATED AMORTIZATION</b>										
Balance, beginning of year restated (Note 2)	3,269,448	6,200,909	7,203,085	136,769	124,138	59,086,451	9,344,824	4,559,395	-	89,925,019
Add: additions during the year	355,782	394,362	837,776	-	40,930	3,200,514	404,071	216,349	-	5,449,784
Less: disposals during the year	-	-	521,624	-	-	-	-	-	-	521,624
<b>Balance, end of year</b>	<b>3,625,230</b>	<b>6,595,271</b>	<b>7,519,237</b>	<b>136,769</b>	<b>165,068</b>	<b>62,286,965</b>	<b>9,748,895</b>	<b>4,775,744</b>	<b>-</b>	<b>94,853,179</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>33,818,824</b>	<b>12,399,396</b>	<b>7,914,466</b>	<b>10,670</b>	<b>208,459</b>	<b>68,173,865</b>	<b>22,495,154</b>	<b>10,444,738</b>	<b>1,864,916</b>	<b>157,330,488</b>

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER



## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2020

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	4,301,298	2,513,758	5,966,265	-	-	2,375,571	652,004	15,808,896
User charges	45,206	1,026,867	164,440	4,596,380	34,089	259,727	106,390	6,233,099
Government transfers - operating	424,992	263,140	361,791	-	-	169,428	2,505	1,221,856
Government transfers - capital	-	-	4,825	-	-	-	-	4,825
Other municipalities	-	74,680	-	-	-	15,207	50,000	139,887
Penalties and interest on taxes	394,470	-	-	-	-	-	-	394,470
Investment income	263,582	-	-	-	-	75	-	263,657
Donations	11,275	-	-	-	-	13,981	-	25,256
Other	893,565	-	-	-	-	-	-	893,565
Developer contributions earned	62,654	282,849	1,077,768	72,148	-	2,277,757	-	3,773,176
Parkland fees earned	-	-	-	-	-	350,000	-	350,000
Federal gas tax earned	-	-	733,395	-	-	-	-	733,395
Ontario Community Infrastructure Fund	-	-	265,590	-	-	-	-	265,590
Gain/(loss) on disposal of tangible capital assets	-	-	10,449	-	-	-	-	10,449
<b>Total revenues</b>	<b>6,397,042</b>	<b>4,161,294</b>	<b>8,584,523</b>	<b>4,668,528</b>	<b>34,089</b>	<b>5,461,746</b>	<b>810,899</b>	<b>30,118,121</b>
<b>Expenses</b>								
Salaries and benefits	2,355,247	1,722,245	1,964,242	124,558	-	1,601,801	610,850	8,378,943
Interest charges	79,327	-	32,354	-	-	-	-	111,681
Materials	981,263	541,915	1,011,197	1,406,109	27,517	703,578	213,798	4,885,377
Contracted services	152,905	2,748,060	705,872	1,553,258	5,373	24,646	61,168	5,251,282
Rents and financial	32,411	2,092	19,257	17	-	10,920	-	64,697
External transfers	-	274,025	-	-	-	-	-	274,025
Amortization	299,883	271,960	3,681,044	677,422	-	519,475	-	5,449,784
Internal transfers	(353,612)	124,274	(19,158)	240,742	-	7,716	38	-
<b>Total expenses</b>	<b>3,547,424</b>	<b>5,684,571</b>	<b>7,394,808</b>	<b>4,002,106</b>	<b>32,890</b>	<b>2,868,136</b>	<b>885,854</b>	<b>24,415,789</b>
<b>Net surplus/(deficit)</b>	<b>2,849,618</b>	<b>(1,523,277)</b>	<b>1,189,715</b>	<b>666,422</b>	<b>1,199</b>	<b>2,593,610</b>	<b>(74,955)</b>	<b>5,702,332</b>

# CORPORATION OF THE TOWNSHIP OF SPRINGWATER



## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2019

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	4,103,024	2,397,883	5,691,243	-	-	2,266,066	621,949	15,080,165
User charges	53,045	699,512	149,324	4,134,127	24,187	785,727	139,250	5,985,172
Government transfers - operating	1,089,082	256,053	358,988	33,552	-	118,781	5,621	1,862,077
Government transfers - capital	-	-	3,864	154,535	-	-	-	158,399
Other municipalities	-	246,629	-	-	-	19,680	2,500	268,809
Penalties and interest on taxes	393,211	-	-	-	-	-	-	393,211
Investment income	489,107	-	-	-	-	44	-	489,151
Donations	34,747	-	-	-	-	64,002	-	98,749
Other	61,577	-	-	-	-	-	-	61,577
Developer contributions earned	11,095	58,752	244,909	640,313	-	886,800	-	1,841,869
Parkland fees earned	-	-	-	-	-	57,032	-	57,032
Federal gas tax earned	-	-	640,902	-	-	-	-	640,902
Ontario Community Infrastructure Fund	-	-	466,553	-	-	-	-	466,553
Gain/(loss) on disposal of tangible capital assets	-	(3,866)	32,255	-	-	2,600	-	30,989
<b>Total revenues</b>	<b>6,234,888</b>	<b>3,654,963</b>	<b>7,588,038</b>	<b>4,962,527</b>	<b>24,187</b>	<b>4,200,732</b>	<b>769,320</b>	<b>27,434,655</b>
<b>Expenses</b>								
Salaries and benefits	2,140,927	1,856,870	1,916,102	117,222	-	1,602,283	509,455	8,142,859
Interest charges	85,305	-	39,963	-	-	-	-	125,268
Materials	978,051	595,578	1,060,182	1,285,323	23,430	1,019,917	118,711	5,081,192
Contracted services	174,105	2,590,008	801,490	1,224,382	5,217	186,831	40,068	5,022,101
Rents and financial	34,592	1,100	18,850	95	-	14,134	-	68,771
External transfers	-	236,287	-	-	-	-	-	236,287
Amortization	280,118	231,586	3,693,984	646,073	-	465,797	-	5,317,558
Internal transfers	(310,739)	84,985	(21,878)	240,304	-	7,109	219	-
<b>Total expenses</b>	<b>3,382,359</b>	<b>5,596,414</b>	<b>7,508,693</b>	<b>3,513,399</b>	<b>28,647</b>	<b>3,296,071</b>	<b>668,453</b>	<b>23,994,036</b>
<b>Net surplus/(deficit)</b>	<b>2,852,529</b>	<b>(1,941,451)</b>	<b>79,345</b>	<b>1,449,128</b>	<b>(4,460)</b>	<b>904,661</b>	<b>100,867</b>	<b>3,440,619</b>

**INDEPENDENT AUDITOR'S REPORT****To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the Township of Springwater***Opinion*

We have audited the financial statements of the Trust Fund of the Corporation of the Township of Springwater (the Trust Fund), which comprise the statement of financial position as at December 31, 2020, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2020, and the continuity of the Trust Fund for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Funds' financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
July 9, 2021

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**



**TRUST FUNDS  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2020**

	Subdivision Trust Funds \$	H D Russell Recreation and Cemetery Trust Funds \$	Cemetery Care and Maintenance Trust Funds \$	2020 Total \$	2019 Total \$
<b>FINANCIAL ASSETS</b>					
Cash	20,931	-	-	20,931	7,705
Investments (note 2)	-	13,114	174,646	187,760	175,143
	20,931	13,114	174,646	208,691	182,848
<b>FUND BALANCES</b>	20,931	13,114	174,646	208,691	182,848

*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**



**TRUST FUNDS  
STATEMENT OF CONTINUITY  
For the Year Ended December 31, 2020**

	Subdivision Trust Funds \$	H D Russell Recreation and Cemetery Trust Funds \$	Cemetery Care and Maintenance Trust Funds \$	2020 Total \$	2019 Total \$
<b>BALANCES - beginning of year</b>	7,705	12,974	162,169	182,848	187,638
<b>RECEIPTS</b>					
Investment income	250	140	12,407	12,797	9,761
Perpetual care receipts	-	-	3,470	3,470	3,747
Transfer from Township	12,976	-	-	12,976	-
	13,226	140	15,877	29,243	13,508
<b>EXPENSES</b>					
Transfer to Township	-	-	-	-	16,375
Investment fees	-	-	3,400	3,400	1,923
	-	-	3,400	3,400	18,298
<b>BALANCES - end of year</b>	20,931	13,114	174,646	208,691	182,848

*The accompanying notes are an integral part of these financial statements*

**TRUST FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.

**2. INVESTMENTS**

Investments are comprised of Guaranteed Investment Certificates and funds held by Scotiabank, TD Canada Trust and RBC Dominion Securities and are recorded at cost plus the accrued interest earned at December 31, 2020. Interest rates range on the GIC's from 0.76% to 2.1% and maturity dates from 2021 to 2022.

**3. CARE AND MAINTENANCE FUNDS**

The Cemetery Care and Maintenance Fund administered by the Cemetery Board is funded by the sale of cemetery plots. These funds are invested and earnings derived there from are used to perform perpetual care maintenance to the Board's cemeteries. The operations and investments of the Fund are undertaken by the Board in accordance with the regulations of the Funeral, Burial, and Cremation Services Act, 2002. The figures reported for the cemetery perpetual care and maintenance represent the trust fund activities for the Midhurst Union cemetery.

**4. UNCERTAINTY CAUSED BY COVID-19**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Trust Fund's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Trust Fund's operations. The extent of the impact of this outbreak and related containment measures on the Trust Fund's operations cannot be reliably estimated at this time.

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**

**SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**INDEPENDENT AUDITOR'S REPORT****To the Members of the Springwater Township Public Library Board, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Springwater****T: (705) 742-3418**  
**F: (705) 742-9775****[www.bakertilly.ca](http://www.bakertilly.ca)***Qualified Opinion*

We have audited the financial statements of the Springwater Township Public Library Board of the Corporation of the Township of Springwater (the Board), which comprise the statement of financial position as at December 31, 2020, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Basis for Qualified Opinion*

In common with many Public Library Boards, the Board derives revenue from donations, fines, and user fees, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were not able to determine whether any adjustments might be necessary to donations, fines, and user fees revenue, annual surplus/(deficit), assets and accumulated surplus.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
July 9, 2021

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**



**SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2020**

	2020	2019
	\$	\$
<b>FINANCIAL ASSETS</b>		
<u>Due from Township (note 5)</u>	<u>78,881</u>	<u>76,424</u>
<b>NET FINANCIAL ASSETS</b>	78,881	76,424
<b>NON-FINANCIAL ASSETS</b>		
<u>Tangible capital assets (note 2)</u>	<u>208,461</u>	<u>204,078</u>
<b>ACCUMULATED SURPLUS (note 3)</b>	<u>287,342</u>	<u>280,502</u>

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*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**



**SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD  
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
<b>REVENUES</b>			
Contributions from Township (note 5)	442,000	443,453	682,593
Contributions from Township - development charges (note 5)	282,000	281,607	78,499
Fines and user fees	24,200	8,136	36,594
Province of Ontario	28,500	28,504	28,504
Other municipalities	13,500	7,707	12,180
Other grants	3,000	-	3,920
Interest	-	954	2,247
Donations	8,500	9,981	16,368
<b>TOTAL REVENUES</b>	<b>801,700</b>	<b>780,342</b>	<b>860,905</b>
<b>EXPENSES</b>			
Salaries and benefits	677,991	617,299	637,582
Materials and supplies	64,550	49,228	101,113
Utilities, services and rent (note 5)	74,805	66,045	70,952
Amortization	37,964	40,930	37,964
<b>TOTAL EXPENSES</b>	<b>855,310</b>	<b>773,502</b>	<b>847,611</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>(53,610)</u></b>	<b>6,840</b>	<b>13,294</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>280,502</b>	<b>267,208</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>287,342</b>	<b>280,502</b>

*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**



**SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD  
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(53,610)	6,840	13,294
Amortization of tangible capital assets	37,964	40,930	37,964
Acquisition of tangible capital assets	(52,500)	(45,313)	(49,012)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(68,146)	2,457	2,246
<b>NET FINANCIAL ASSETS - beginning of year</b>	76,424	76,424	74,178
<b>NET FINANCIAL ASSETS - end of year</b>	8,278	78,881	76,424

*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**



**SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2020**

	2020	2019
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	6,840	13,294
Items not involving cash		
Amortization of tangible capital assets	40,930	37,964
Change in non-cash assets and liabilities		
Change in due from Township	(2,457)	(2,246)
<b>Net change in cash from operating activities</b>	<b>45,313</b>	<b>49,012</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(45,313)	(49,012)
<b>NET CHANGE IN CASH</b>	<b>-</b>	<b>-</b>
<b>CASH - beginning of year</b>	<b>-</b>	<b>-</b>
<b>CASH - end of year</b>	<b>-</b>	<b>-</b>

*The accompanying notes are an integral part of these financial statements*

**SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

User fees are recognized as revenue in the year the goods and services are provided.

Fines and donations are recognized when the amounts are received.

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Books	7 years
Equipment	5 to 20 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(d) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

(e) Government Funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

**SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

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**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

(f) Reserve Funds

Certain amounts, as approved by the Board, are set aside in reserve funds for future operating and capital purposes. Transfers to and/or from reserve funds are an adjustment to the respective fund when approved.

(g) Inter-Entity Transactions

The Springwater Township Public Library Board is a Board of the Township of Springwater and is consolidated with the Township's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Township.

**2. TANGIBLE CAPITAL ASSETS**

The net book value of the Board's tangible capital assets are:

	Equipment \$	Books \$	2020 Totals \$	2019 Totals \$
<b>COST</b>				
Balance, beginning of year	30,629	328,217	358,846	354,560
Add: additions during the year	-	45,313	45,313	49,012
Less: disposals during the year	-	-	-	44,726
Balance, end of year	30,629	373,530	404,159	358,846
<b>ACCUMULATED AMORTIZATION</b>				
Balance, beginning of year	30,629	124,139	154,768	161,530
Add: additions during the year	-	40,930	40,930	37,964
Less: disposals during the year	-	-	-	44,726
Balance, end of year	30,629	165,069	195,698	154,768
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	-	208,461	208,461	204,078

**SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

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**3. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	208,461	204,078
<b>Surplus</b>	208,461	204,078
<b>Reserve Fund</b>		
Capital asset acquisitions	78,881	76,424
	<b>287,342</b>	<b>280,502</b>

**4. BUDGET FIGURES**

The operating budget, approved by the Board, for 2020 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

**SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

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**5. INTER-ENTITY TRANSACTIONS**

During the year, the Board entered into transactions with the Township of Springwater.

As part of the budgeting process, the Township approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus. In addition, the Township collects and remits development charges to the Board for library capital expenditures. These revenues are reported on the Statement of Operations and Accumulated Surplus.

Details of the inter-entity expense transactions are as follows:

	2020	2019
	\$	\$
Allocated costs:		
Insurance	12,463	10,290
Audit fees	1,550	1,550
Facility rent	7,500	7,500
	21,513	19,340

In addition, the following services are provided to the Board by the Township at no cost.

- Accounting and administrative services
- Professional services

All balances with the Township of Springwater have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

**6. UNCERTAINTY CAUSED BY COVID-19**

In March 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Board's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Board's operations. The extent of the impact of this outbreak and related containment measures on the Board's operations cannot be reliably estimated at this time.

**CORPORATION OF THE TOWNSHIP OF  
SPRINGWATER**

**ELMVALE BUSINESS IMPROVEMENT AREA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**Baker Tilly KDN LLP**

272 Charlotte St.  
Peterborough, ON  
Canada K9J 2V4

## INDEPENDENT AUDITOR'S REPORT

**To the Members of the Elmvale Business Improvement Area, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Springwater**

**T: (705) 742-3418  
F: (705) 742-9775**

**[www.bakertilly.ca](http://www.bakertilly.ca)**

### *Opinion*

We have audited the financial statements of the Elmvale Business Improvement Area of the Corporation of the Township of Springwater (the Board), which comprise the statement of financial position as at December 31, 2020, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
July 9, 2021

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**



**ELMVALE BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2020**

	2020	2019
	\$	\$
<b>FINANCIAL ASSETS</b>		
Due from Township (note 4)	40,510	42,266
<b>NET FINANCIAL ASSETS</b>	40,510	42,266
<b>ACCUMULATED SURPLUS (note 2)</b>	40,510	42,266

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*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**



**ELMVALE BUSINESS IMPROVEMENT AREA  
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
<b>REVENUES</b>			
Members' tax levy (note 4)	20,520	21,060	20,520
<b>EXPENSES</b>			
Networking and communication	12,500	18,205	13,898
Promotion	5,000	1,959	4,900
Administration (note 4)	1,025	1,025	1,025
Tourism and events	10,000	1,627	9,510
<b>TOTAL EXPENSES</b>	<b>28,525</b>	<b>22,816</b>	<b>29,333</b>
<b>ANNUAL DEFICIT</b>	<b><u>(8,005)</u></b>	<b>(1,756)</b>	<b>(8,813)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>42,266</b>	<b>51,079</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>40,510</b>	<b>42,266</b>

*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**



**ELMVALE BUSINESS IMPROVEMENT AREA  
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
<b>ANNUAL DEFICIT</b>	(8,005)	(1,756)	(8,813)
<b>NET FINANCIAL ASSETS - beginning of year</b>	42,266	42,266	51,079
<b>NET FINANCIAL ASSETS - end of year</b>	34,261	40,510	42,266

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*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE  
TOWNSHIP OF SPRINGWATER**



**ELMVALE BUSINESS IMPROVEMENT AREA  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2020**

	2020	2019
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual deficit	(1,756)	(8,813)
Change in non-cash assets and liabilities		
Due from Township	1,756	8,813
<b>NET CHANGE IN CASH</b>	-	-
<b>CASH - beginning of year</b>	-	-
<b>CASH - end of year</b>	-	-

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*The accompanying notes are an integral part of these financial statements*

**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the Board's best information and judgment. Actual results could differ from these estimates.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The Board has no significant tangible capital assets.

(d) Reserves

Certain amounts, as approved by the Board, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective fund when approved.

(e) Inter-Entity Transactions

The Elmvale Business Improvement Area is a Board of the Township of Springwater and is consolidated with the Township's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Township.

**ELMVALE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020**

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**2. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
<b>Reserve</b>		
General operations	40,510	42,266
	<b>40,510</b>	<b>42,266</b>

**3. BUDGET FIGURES**

The operating budget, approved by the Board, for 2020 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

**4. INTER-ENTITY TRANSACTIONS**

During the year, the Board entered into transactions with the Township of Springwater.

As part of the budgeting process, the Township approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus. The contribution is based on an additional tax levy on the businesses within the geographical boundaries of the Elmvale Business Improvement Area. The Township bills the tax levy and contributes this tax levy adjusted for any applicable supplementary tax billing or tax write-off annually to the Board.

Details of the inter-entity expense transactions are as follows:

	2020	2019
	\$	\$
Allocated costs:		
Audit fees	1,025	1,000
	<b>1,025</b>	<b>1,000</b>

In addition, the following services are provided to the Board by the Township at no cost:

- Accounting and administrative services
- Professional services

All balances with the Township of Springwater have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

**5. UNCERTAINTY CAUSED BY COVID-19**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Board's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Board's operations. The extent of the impact of this outbreak and related containment measures on the Board's operations cannot be reliably estimated at this time.