

**The Corporation of the
Township of Amaranth
Financial Information
For the year ended December 31, 2021**

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Financial Information
For the year ended December 31, 2021**

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Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of Amaranth (the municipality), which comprise the consolidated statement of financial position as at December 31, 2021 and the consolidated statements of operations and accumulated surplus, changes in net financial assets (debt) 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 Corporation of the Township of Amaranth as at December 31, 2021 and its consolidated results of operations, its consolidated change in net financial assets (debt), 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 municipality 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.

Other Matter

The financial statements of the Corporation of the Township of Amaranth for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on July 21, 2021.

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 municipality'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 municipality or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibility 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 municipality'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 municipality'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 municipality 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 financial information of the entities or business activities within the municipality 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Orangeville, Ontario
January 31, 2023

The Corporation of the Township of Amaranth
Consolidated Statement of Financial Position

December 31	2021	2020
Financial assets		
Cash (Note 1)	\$ 1,887,700	\$ 524,976
Taxes receivable	901,799	1,039,447
Trade and other receivables	1,056,128	2,574,008
Long-term receivables (Note 2)	329,513	215,523
	<u>4,175,140</u>	<u>4,353,954</u>
Liabilities		
Accounts payable and accrued liabilities	1,018,149	2,773,755
Solid waste landfill closure and post-closure liabilities (Note 3)	120,816	120,816
Deferred revenue (Page 30)	991,262	928,992
Long-term liabilities (Note 4)	156,724	187,049
	<u>2,286,951</u>	<u>4,010,612</u>
Net financial assets	1,888,189	343,342
Non financial assets		
Inventory of supplies	313,000	557,701
Prepaid expenses	1,741	-
Tangible capital assets (Note 5)	17,341,619	17,790,770
	<u>17,656,360</u>	<u>18,348,471</u>
Accumulated surplus (Note 7)	\$19,544,549	\$ 18,691,813

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Township of Amaranth
Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31	2021	2021	2020
	Budget (Note 10)	Actual	Actual
Revenue			
Taxation	\$ 4,176,300	\$ 4,177,097	\$ 4,109,008
Fees and user charges	126,475	215,893	207,574
Grants (Note 12)	327,323	878,356	2,019,574
Other income (Note 9)	459,411	546,943	257,567
	<u>5,089,509</u>	<u>5,818,289</u>	<u>6,593,723</u>
Expenses			
General government	1,007,200	849,623	874,373
Protection services	1,052,176	1,088,956	1,044,657
Transportation services	1,811,480	2,290,619	2,182,927
Environmental services	13,500	200,009	233,166
Health services	9,000	8,775	10,267
Recreation and cultural services	265,748	241,888	224,981
Planning and development	298,850	235,612	194,994
	<u>4,457,954</u>	<u>4,915,482</u>	<u>4,765,365</u>
Board change in opening surplus (Note 11)	<u>-</u>	<u>50,071</u>	<u>-</u>
Annual surplus (Note 10)	631,555	852,736	1,828,358
Accumulated surplus, beginning of year	<u>18,691,813</u>	<u>18,691,813</u>	<u>16,863,455</u>
Accumulated surplus, end of year	<u>\$ 19,323,368</u>	<u>\$ 19,544,549</u>	<u>\$ 18,691,813</u>

The Corporation of the Township of Amaranth
Consolidated Statement of Changes in Net Financial Assets (Debt)

<u>For the year ended December 31</u>	<u>2021</u>	<u>2021</u>	<u>2020</u>
	Budget (Note 10)	Actual	Actual
Annual surplus (Page 7)	\$ 631,555	\$ 852,736	\$ 1,828,358
Acquisition of tangible capital assets	(206,316)	(425,914)	(2,230,641)
Amortization of tangible capital assets	-	874,272	788,054
(Gain) loss on sale of tangible capital assets	-	(23,008)	32,148
Proceeds on disposal of capital assets	-	23,801	-
	<u>(206,316)</u>	<u>449,151</u>	<u>(1,410,439)</u>
Change in prepaid expenses	-	(1,741)	-
Change in inventories of supplies	-	244,701	87,099
	<u>-</u>	<u>242,960</u>	<u>87,099</u>
Increase (decrease) in net financial assets	425,239	1,544,847	505,018
Net financial assets (debt), beginning of the year	<u>-</u>	<u>343,342</u>	<u>(161,676)</u>
Net financial assets, end of the year	<u>\$ 425,239</u>	<u>\$ 1,888,189</u>	<u>\$ 343,342</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Township of Amaranth
Consolidated Statement of Cash Flows

For the year ended December 31	2021	2020
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 852,736	\$ 1,828,358
Items not involving cash		
Change in prepaid expenses	(1,741)	-
Amortization	874,272	788,054
Deferred revenue recognized	(286,511)	-
Change in inventory of supplies	244,701	87,099
(Gain) loss on sale of capital assets	(23,008)	32,148
	<u>1,660,449</u>	<u>2,735,659</u>
Changes in non-cash working capital balances		
Taxes receivable	137,648	(217,386)
Trade and other receivables	1,517,880	(1,833,547)
Accounts payable and accrued liabilities	(1,755,606)	1,582,394
Deferred revenue received	348,781	(70,145)
	<u>248,703</u>	<u>(538,684)</u>
	<u>1,909,152</u>	<u>2,196,975</u>
Capital transactions		
Cash used to acquire capital assets	(425,914)	(2,230,641)
Proceeds on sale of capital assets	23,801	-
	<u>(402,113)</u>	<u>(2,230,641)</u>
Investing activities		
Repayments of long-term receivables	-	3,620
Additions to long-term receivables	(113,990)	(9,753)
	<u>(113,990)</u>	<u>(6,133)</u>
Financing activities		
Additions to long-term liabilities	-	9,753
Repayment of long-term liabilities	(30,325)	(18,221)
	<u>(30,325)</u>	<u>(8,468)</u>
Net change in cash and cash equivalents	1,362,724	(48,267)
Cash and cash equivalents, beginning of year	524,976	573,243
Cash and cash equivalents, end of year	\$ 1,887,700	\$ 524,976

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Township of Amaranth Summary of Significant Accounting Policies

December 31, 2021

Management Responsibility

The management of the Corporation of the Township of Amaranth has prepared and is responsible for the integrity, objectivity and accuracy of the financial information presented in the consolidated financial statements. The Council reviews and approves the consolidated financial statements.

Basis of Accounting

The consolidated financial statements of the Corporation of the Township of Amaranth have been prepared in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada as prescribed by the Ministry of Municipal Affairs and Housing.

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting 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.

Basis of Consolidation

The consolidated statements reflect the assets, liabilities, revenues and expenses of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenses have been eliminated on consolidation.

A government partnership exists where the municipality has shared control over the board or entity. The municipality's pro-rata share of the assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The municipality's proportionate interest of the following government partnerships are reflected in the consolidated financial statements:

Shelburne and District Fire Department
(2021 - 13.05%, 2020 - 13.17%)

Grand Valley and District Fire Department
Operating - (2021 - 27.00%, 2020 - 28.00%)
Capital - (2021 - 25.00%, 2020 - 26.00%)

Grand Valley Medical - Dental Board
Operating - 30.00%

The proportionate interest in Shelburne and District Fire Department is based on the combined average of fire calls, total assessment and total households for the previous year.

The Corporation of the Township of Amaranth Summary of Significant Accounting Policies

December 31, 2021

Basis of Consolidation (cont.) The proportionate interest in Grand Valley and District Fire Department is based on the number of fire calls for the operating percentage and on equalized assessments of each fire area for the capital percentage.

Use of Estimates The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items such as accrued grant receivables, accrued liabilities, useful lives of capital assets, taxation revenue, deferred revenues, and solid waste landfill closure and post-closure costs. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.

Revenue Recognition Revenues are recognized as follows:

- a) Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable events occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of allowance for anticipated uncollectable amounts.

Interest and penalties on overdue taxes are recorded in the period the interest and penalties are levied.

- b) Donations are recognized when collected.
- c) User fees and other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.
- d) Investment income earned on surplus funds (other than obligatory reserve funds) is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is recorded directly to each fund balance and forms part of the respective deferred revenue balances.

The Corporation of the Township of Amaranth Summary of Significant Accounting Policies

December 31, 2021

Government Transfers Government transfers are recognized as revenue in the consolidated financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Cash and Cash Equivalents Cash and cash equivalents include all cash balances and short-term highly liquid investments that are readily convertible into cash.

County and School Boards The municipality collects taxation revenue on behalf of the school boards and the County of Dufferin. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the County of Dufferin are not reflected in these consolidated financial statements.

Inventory of Supplies Inventory held for consumption is recorded at the lower of cost and replacement cost.

Tangible Capital Assets Tangible capital assets are recorded at cost less accumulated amortization. Costs include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the assets is based on estimates made by Council. The following rates are used:

Land improvements	15 to 20 years
Buildings	25 to 50 years
Vehicles	6 to 20 years
Furniture and equipment	2 to 20 years
Road bases	60 years
Road surfaces	2 to 15 years
Bridges and infrastructure	25 to 100 years
Environmental infrastructure	25 to 100 years

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

**The Corporation of the Township of Amaranth
Summary of Significant Accounting Policies**

December 31, 2021

Intangible Assets

Intangible assets, art and historic treasures, and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources, are not recognized in these financial statements.

**Solid Waste Landfill Closure
and Post-Closure Costs**

Site closure and post-closure care costs are recognized over the operating life of the landfills based on capacity used. The liability is recorded at its discounted value, based on the average long-term borrowing rate of the municipality.

Trust Funds

Funds held in trust by the municipality, and their related operations, are not included in these consolidated financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2021

1. Cash

	2021	2020
Unrestricted	\$ 687,247	\$ (481,099)
Restricted	1,200,453	1,006,075
	\$ 1,887,700	\$ 524,976

The municipality has internally and externally restricted funds that are segregated and will be used only for specific purposes.

The municipality's bank accounts are all held at one financial institution. The Canadian Deposit Insurance Corporation insures deposits up to a maximum of \$100,000 per financial institution.

2. Long-Term Receivables

	2021	2020
Tile drainage loans, 6%, various repayment amounts, due from 2022 to 2030	\$ 156,724	\$ 187,049
Water loans, receivable for the capital costs of upgrades to provide water service to users of the system as set out in By-Law Number 50-2006, 7.5%, repayable in annual instalments of \$287, due 2026	23,412	28,474
Water loans, receivable for the capital costs of upgrades to provide water service to users of the system, 5%, repayable in annual instalments of \$348, due 2026	149,377	-
	\$ 329,513	\$ 215,523

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2021

3. Solid Waste Landfill Closure and Post-Closure Liabilities

	2021	2020
Landfill closure and post-closure liability	\$ 120,816	\$ 120,816

Solid waste landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance.

The liability for the landfill sites in the Township is recorded at \$120,816 and represents the present value of closure and post-closure costs for varying percentages of the current sites' opened cells, using the municipality's long-term borrowing rate of 3%. The liability is recorded based on the capacity of the landfills used to date.

The liability is expected to be funded through budget allocations over the remaining life of the landfill, however, during the 2012 fiscal year, the County of Dufferin assumed garbage collection and disposal responsibility and the landfill site ceased to be used for a significant volume of garbage. At year end, the Township was undertaking a process of considering various options for the site, which would impact the timeline to close the site. Accordingly, the liability has not been adjusted due to the uncertainty of the outcome of this process.

4. Long-Term Liabilities

The balance of long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2021	2020
Tile drainage loans payable, 6% or 8%, various repayment amounts, due from 2022 to 2030	\$ 156,724	\$ 187,049

Principal payments for the next 5 fiscal years and thereafter are as follows:

2022	\$	31,058
2023		28,682
2024		27,469
2025		20,856
2026		19,349
Thereafter		29,310
	\$	156,724

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2021

5. Tangible Capital Assets

	2021						
	Land and Land Improvements	Buildings	Vehicles	Transportation Infrastructure	Furniture and Equipment	Environmental Infrastructure	Total
Cost, beginning of year	\$ 1,925,466	\$ 2,575,136	\$ 3,695,979	\$ 20,025,175	\$ 830,732	\$ 5,463,095	\$ 34,515,583
Additions		131,579	2,392	283,366	8,577	-	425,914
Disposals		-	(468,872)	(96,791)	(10,878)	-	(576,541)
Cost, end of year	1,925,466	2,706,715	3,229,499	20,211,750	828,431	5,463,095	34,364,956
Accumulated amortization, beginning of year	227,359	1,786,150	2,583,851	9,546,259	610,643	1,970,551	16,724,813
Amortization	6,395	47,653	201,163	530,178	20,144	68,739	874,272
Disposals	-	-	(468,079)	(96,791)	(10,878)	-	(575,748)
Accumulated amortization, end of year	233,754	1,833,803	2,316,935	9,979,646	619,909	2,039,290	17,023,337
Net carrying amount, end of year	\$ 1,691,712	\$ 872,912	\$ 912,564	\$ 10,232,104	\$ 208,522	\$ 3,423,805	\$ 17,341,619

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2021

5. Tangible Capital Assets - (continued)

							2020
	Land and Land Improvements	Buildings	Vehicles	Transportation Infrastructure	Furniture and Equipment	Environmental Infrastructure	Total
Cost, beginning of year	\$ 1,925,466	\$ 2,575,136	\$ 3,685,389	\$ 18,403,078	\$ 814,618	\$ 5,463,095	\$ 32,866,782
Additions		-	10,590	2,203,937	16,114	-	2,230,641
Disposals	-	-	-	(581,840)	-	-	(581,840)
Cost, end of year	1,925,466	2,575,136	3,695,979	20,025,175	830,732	5,463,095	34,515,583
Accumulated amortization, beginning of year	219,544	1,717,558	2,415,373	9,662,019	570,146	1,901,811	16,486,451
Amortization	7,815	68,592	168,478	433,932	40,497	68,740	788,054
Disposals	-	-	-	(549,692)	-	-	(549,692)
Accumulated amortization, end of year	227,359	1,786,150	2,583,851	9,546,259	610,643	1,970,551	16,724,813
Net carrying amount, end of year	\$ 1,698,107	\$ 788,986	\$ 1,112,128	\$ 10,478,916	\$ 220,089	\$ 3,492,544	\$ 17,790,770

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2021

5. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$136,580 (2020 - \$1,712,612).

6. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 15 members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The employer amount contributed to OMERS for 2021 was \$72,749 (2020 - \$49,214). The contribution rate for 2021 was 9.0% to 15.8% depending on age and income level (2020 - 9.0% to 15.8%).

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2021. At that time the plan reported a \$3.1 billion actuarial deficit (2020 - \$3.2 billion), based on actuarial liabilities of \$119.3 billion (2020 - \$111.8 billion) and actuarial assets of \$116.2 billion (2020 - \$108.6 billion). Ongoing adequacy of the current contribution rates will need to be monitored as declines in the financial markets may lead to increased future funding requirements.

7. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2021	2020
Invested in tangible capital assets		
Tangible capital assets at cost less amortization	\$17,341,619	\$ 17,790,770
Unfinanced capital assets	(87,366)	-
Total invested in capital assets	17,254,253	17,790,770
Unfunded solid waste closure and post-closure costs	(120,816)	(120,816)
General surplus (Note 10)	301,193	301,193
Waterworks systems	61,282	70,424
Shelburne and District Fire Department	9,438	3,427
Grand Valley and District Fire Department	(8,455)	2,693
	17,496,895	18,047,691
Reserves and reserve funds (Note 8)	2,047,654	644,122
Accumulated surplus	\$19,544,549	\$ 18,691,813

During the year the general surplus of \$1,150,923 was transferred to reserves as approved by Council.

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2021

8. Reserves and Reserve Funds Set Aside for Specific Purpose by Council

	<u>2021</u>	<u>2020</u>
Reserves		
Working funds	\$ 93,160	\$ 93,160
Recreation projects	10,000	10,000
Capital assets - equipment replacement and asset management	312,207	212,207
Capital purposes - bridges and buildings	<u>1,303,725</u>	<u>54,328</u>
	<u>1,719,092</u>	<u>369,695</u>
Reserve funds		
Fire - current purposes	9,461	6,440
Fire - capital purposes	<u>319,101</u>	<u>267,987</u>
	<u>328,562</u>	<u>274,427</u>
Reserves and reserve funds set aside for specific purpose by Council	<u><u>\$ 2,047,654</u></u>	<u><u>\$ 644,122</u></u>

9. Other Income

	<u>2021</u>	<u>2021</u>	<u>2020</u>
	Budget	Actual	Actual
Penalties and interest on taxation	\$ 65,000	\$ 138,686	\$ 82,495
Other fines and penalties	11,000	6,967	13,758
Investment income	3,861	15,504	6,721
Licenses, permits and rents	15,900	18,825	15,805
Legal/consultant costs recoverable	170,000	-	-
Gravel sales	50,000	50,272	50,000
Gain (loss) on disposal of capital assets	-	23,008	(32,148)
Annual turbine amenities agreement	138,000	112,591	113,112
Water capital contributions	-	150,261	-
Other	5,650	30,829	7,824
	<u>\$ 459,411</u>	<u>\$ 546,943</u>	<u>\$ 257,567</u>

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2021

10. Budgets

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statement of operations and changes in net financial assets (debt) for comparative purposes. The 2021 budget amounts for the Corporation of the Township of Amaranth approved by Council have been restated to conform to the presentation of the consolidated statements of operations and accumulated surplus and changes in net financial assets. The following is a reconciliation of the budget approved by Council.

	2021 Budget	2021 Actual	2020 Actual
Annual surplus (Page 7)	\$ 631,555	\$ 852,736	\$ 1,828,358
Amortization	-	874,272	788,054
Change in other surpluses	-	14,279	65,951
	631,555	1,741,287	2,682,363
Net transfers (to) from reserves	(95,662)	(252,608)	(88,517)
Capital acquisitions, disposals and write-down	(206,316)	(425,121)	(2,198,493)
Capital projects not funded	-	87,366	-
Current year surplus before transfer to reserves	329,577	1,150,924	395,353
Budget adjustment	(329,577)	-	-
Surplus transfer to reserves	-	(1,150,924)	-
	-	-	395,353
Prior year general surplus (deficit)	-	301,193	(94,160)
General surplus (Note 7)	\$ -	\$ 301,193	\$ 301,193

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2021

11. Government Partnerships

The following summarizes the financial position and operations of the government partnerships which have been reported in these financial statements using proportionate consolidation:

Shelburne and District Fire Department

Shelburne and District Fire Department is a joint board under the shared control of the Township of Amaranth, the Township of Melancthon, the Town of Mono, the Township of Mulmur, and the Town of Shelburne. The consolidated financial statements include the municipality's 13.05% (2020 - 13.17%) proportionate interest of the following:

	2021	2020
Financial assets	\$ 980,612	\$ 770,831
Liabilities	8,799	15,275
Net financial assets	971,813	755,556
Non-financial assets	1,018,705	1,101,444
Accumulated surplus	\$ 1,990,518	\$ 1,857,000
Revenues	\$ 859,749	\$ 791,717
Expenses	726,231	651,881
Annual surplus	\$ 133,518	\$ 139,836

In the current year, the municipality's percentage share of operations of the Shelburne and District Fire Department decreased to 13.05% (2020 - 13.17%). As a result of the decrease in percentage, there has been a change in opening accumulated surplus. Opening accumulated surplus decreased by \$17,639.

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2021

11. Government Partnerships - continued

Grand Valley and District Fire Department

Grand Valley and District Fire Department is a joint board under the shared control of the Township of Amaranth, the Township of East Garafraxa, and the Town of Grand Valley. The consolidated financial statements include the municipality's 27.00% (2020 - 28.00%) proportionate operating interest and the municipality's 25.00% (2020 - 26.00%) proportionate capital interest of the following:

	2021	2020
Financial assets	\$ 841,931	\$ 669,228
Liabilities	28,534	41,066
Net financial assets	813,397	628,162
Non-financial assets	1,391,301	2,117,483
Accumulated surplus	\$ 2,204,698	\$ 2,745,645
Revenues	\$ 634,583	\$ 653,299
Expenses	547,368	491,371
Annual surplus	\$ 87,215	\$ 161,928

In the current year, the municipality's percentage share of operations and capital of the Grand Valley and District Fire Department decreased to 27.00% and 25.00%, respectively (2020 - 28.00% and 26.00%). As a result of the decrease in percentages, there has been a change in opening accumulated surplus. Opening accumulated surplus decreased by \$32,432.

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2021

11. Government Partnerships - continued

Grand Valley Medical - Dental Board

Grand Valley Medical - Dental Board is a joint board under the shared control of the Township of Amaranth, the Township of East Garafraxa, and the Town of Grand Valley. The consolidated financial statements include the municipality's 30.00% proportionate operating interest of the following:

	<u>2021</u>	<u>2020</u>
Financial assets	\$ 126,219	\$ 113,046
Liabilities	<u>17,998</u>	<u>4,775</u>
Net financial assets	108,221	108,271
Non-financial assets	<u>624,874</u>	<u>640,007</u>
Accumulated surplus	<u>\$ 733,095</u>	<u>\$ 748,278</u>
Revenues	\$ 50,639	\$ 50,888
Expenses	<u>65,822</u>	<u>43,951</u>
Annual surplus (deficit)	<u>\$ (15,183)</u>	<u>\$ 6,937</u>

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2021

12. Government Transfers

	Budget	2021	2020
Operating Transfers			
Province of Ontario			
Ontario Municipal Partnership			
Fund (OMPF)	\$ 196,100	\$ 197,500	\$ 196,900
Other	131,223	215,811	245,365
	327,323	413,311	442,265
Tangible Capital Asset			
Government of Canada			
Federal Gas Tax	-	286,498	244,242
Roads	-	178,547	1,333,067
	-	465,045	1,577,309
Total transfers	\$ 327,323	\$ 878,356	\$ 2,019,574

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2021

13. Operations of School Boards and the County of Dufferin

During the year, the following taxation revenue was raised and remitted to the school boards and the County of Dufferin:

	<u>2021</u>	<u>2020</u>
School boards	\$ 1,460,181	\$ 1,466,118
County of Dufferin	2,845,293	2,730,212
	<u>\$ 4,305,474</u>	<u>\$ 4,196,330</u>

14. Trust Funds

The trust funds administered by the municipality amounting to \$39,488 (2020 - \$37,998) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of financial activities. At December 31, 2021, the trusts fund balances are as follows:

	<u>2021</u>	<u>2020</u>
Cemetery Care and Maintenance funds	\$ 39,488	\$ 37,998

15. Commitments

The Township of Amaranth has committed to spend approximately \$100,000 on capital projects in 2022 and beyond on administrative projects.

16. Uncertainty due to COVID-19

The impact of COVID-19 in Canada and on the global economy remains significant. As the impacts of COVID-19 continue, there could be further impact on the Municipality, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Municipality's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Municipality is not known. During the pandemic, the Municipality has seen a decrease in fees and user fees resulting from mandated closures and a decrease in other revenue due to waiving of interest on taxation. Given the dynamic nature of these circumstances and the duration of disruption, the related financial impact cannot be reasonably estimated at this time. The Municipality's ability to continue delivering non-essential services and employ related staff will depend on the legislative mandates from the various levels of government. The Municipality will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

The Corporation of the Township of Amaranth

Notes to Financial Statements

December 31, 2021

17. Comparative Amounts

The comparative amounts presented in the financial statements have been reclassified to conform to the current year's presentation.

18. Segmented Information

The Township of Amaranth is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, sewer, water, waste collection, disposal and recycling, recreational, library and planning. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

This item related to the revenues and expenses that relate to the governance and operations of the municipality itself and cannot be directly attributed to a specific segment.

Protection to Persons and Property

Protection is comprised of police services, fire protection, conservation authority, emergency measures, canine control and building and structural inspection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The members of the fire department consist of volunteers. The building department provides a number of services including maintenance and enforcement of building and construction codes and review of all property development plans through its application process.

Transportation

Transportation is responsible for construction and maintenance of the municipality's roadways, bridges, parking areas and streetlighting.

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2021

18. Segmented Information - continued

Environmental

Environmental services consists of providing waste collection, disposal and recycling to its citizens and providing the municipality's drinking water. They process and clean sewage and ensure the municipality's water system meets all Provincial standards.

Health

Health services include contributions to the operations of local cemeteries.

Recreational and Cultural Services

This service area provides services meant to improve the health and development of the municipality's citizens. The municipality operates and maintains parks and arenas. The municipality also provides library services and recreational programs.

Planning and Development

This department is responsible for planning and zoning including the Official plan. This service area also includes drainage.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Amounts that are directly attributable to a number of segment have been allocated on a reasonable basis as follows:

Taxation and payments-in-lieu	Allocated to those segments that are funded by these amounts based on the budget for the year
OMPF Transfer	Allocated to segments based on the budget for the year

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2021

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2021 Total
Revenue								
Taxation	\$ 459,481	\$ 1,044,274	\$ 2,088,548	\$ -	\$ -	\$ 292,397	\$ 292,397	\$ 4,177,097
Fees and user charges	5,640	67,784	-	78,879	-	1,765	61,825	215,893
Specific transfers	176,506	8,116	470,777	-	-	5,105	20,352	680,856
OMPF transfer	21,725	49,375	98,750	-	-	13,825	13,825	197,500
Other revenue	191,134	7,069	183,272	165,468	-	-	-	546,943
	<u>854,486</u>	<u>1,176,618</u>	<u>2,841,347</u>	<u>244,347</u>	<u>-</u>	<u>313,092</u>	<u>388,399</u>	<u>5,818,289</u>
Expenses								
Salaries and benefits	495,298	103,142	549,417	-	-	-	108,469	1,256,326
Materials and supplies	152,177	97,098	930,071	17,681	240	21,765	16,818	1,235,850
Contracted services	172,357	789,264	11,129	105,602	8,535	5,739	110,325	1,202,951
Other transfers	-	34,186	-	-	-	202,244	-	236,430
Rents and financial expenses	-	-	105,688	-	-	3,965	-	109,653
Amortization	29,791	65,266	694,314	76,726	-	8,175	-	874,272
	<u>849,623</u>	<u>1,088,956</u>	<u>2,290,619</u>	<u>200,009</u>	<u>8,775</u>	<u>241,888</u>	<u>235,612</u>	<u>4,915,482</u>
Opening surplus restatement	-	50,071	-	-	-	-	-	50,071
Annual surplus (deficit)	\$ 4,863	\$ 37,591	\$ 550,728	\$ 44,338	\$ (8,775)	\$ 71,204	\$ 152,787	\$ 852,736

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2021

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2020 Total
Revenue								
Taxation	\$ 287,631	\$ 1,027,252	\$ 2,301,044	\$ 287,631	\$ -	\$ 164,360	\$ 41,090	\$ 4,109,008
Fees and user charges	2,224	107,299	-	78,879	-	515	18,657	207,574
Specific grants	186,773	6,640	1,600,944	-	-	7,965	20,352	1,822,674
OMPF grant	13,783	49,225	110,264	13,783	-	7,876	1,969	196,900
Other revenue	71,106	14,459	168,692	3,310	-	-	-	257,567
	<u>561,517</u>	<u>1,204,875</u>	<u>4,180,944</u>	<u>383,603</u>	<u>-</u>	<u>180,716</u>	<u>82,068</u>	<u>6,593,723</u>
Expenses								
Salaries and benefits	537,882	97,993	778,054	-	-	5,828	56,111	1,475,868
Interest on debt	-	-	-	684	-	-	-	684
Materials and supplies	169,641	79,227	693,002	18,440	180	8,203	11,160	979,853
Contracted services	138,632	764,329	5,736	119,528	10,087	5,495	127,723	1,171,530
Other transfers	-	42,722	-	-	-	193,684	-	236,406
Rents and financial expenses	-	-	109,374	-	-	3,596	-	112,970
Amortization	28,218	60,386	596,761	94,514	-	8,175	-	788,054
	<u>874,373</u>	<u>1,044,657</u>	<u>2,182,927</u>	<u>233,166</u>	<u>10,267</u>	<u>224,981</u>	<u>194,994</u>	<u>4,765,365</u>
Annual surplus (deficit)	\$ (312,856)	\$ 160,218	\$ 1,998,017	\$ 150,437	\$ (10,267)	\$ (44,265)	\$ (112,926)	\$ 1,828,358

The Corporation of the Township of Amaranth
Schedule of Deferred Revenue

For the year ended December 31, 2021

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 455,241	\$ 93,321	\$ 492	\$ -	\$ 549,054
Federal Gas Tax	475,628	253,729	715	(286,498)	443,574
Main Street grant	13	-	-	(13)	-
Recreational land	(1,890)	500	24	-	(1,366)
	\$ 928,992	\$ 347,550	\$ 1,231	\$ (286,511)	\$ 991,262

**The Corporation of the
Township of Amaranth
Trust Funds
Financial Information
For the year ended December 31, 2021**



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Independent Auditor's Report

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

Opinion

We have audited the financial information of the trust funds of Corporation of the Township of Amaranth (the Entity), which comprise the balance sheet as at December 31, 2021 and the statement of continuity of the trust funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial information presents fairly, in all material respects, the financial position of the trust funds of Corporation of the Township of Amaranth as at December 31, 2021 and the continuity of the trust funds 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 Information* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial information 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.

Other Matter

The financials statements of the Corporation of the Township of Amaranth for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on July 21, 2021.

Responsibilities of Management and Those Charged with Governance for the Financial Information

Management is responsible for the preparation and fair presentation of this financial information in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

In preparing the financial information, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the financial information 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 this financial information.

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 information, 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 Entity'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 Entity'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 Entity 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.

Chartered Professional Accountants, Licensed Public Accountants

Orangeville, Ontario
January 31, 2023

**The Corporation of the Township of Amaranth
Trust Funds
Balance Sheet**

December 31	2021	2020
Assets		
Cash	\$ 49,953	\$ 37,998
Liabilities		
Due to municipality	10,465	-
Fund balance	\$ 39,488	\$ 37,998

Statement of Continuity

For the year ended December 31	2021	2020
Balance, beginning of year	\$ 37,998	\$ 29,390
Receipts		
Care and maintenance and burial fees	850	4,200
Plot sales	500	4,000
Marker and monument sales	100	200
Interest earned	40	208
	1,490	8,608
Balance, end of year	\$ 39,488	\$ 37,998

The Corporation of the Township of Amaranth
Trust Funds
Notes to Financial Statements

December 31, 2021

1. Summary of Significant Accounting Policies

Management Responsibility	Management of the Corporation of the Township of Amaranth Trust Funds has prepared and is responsible for the integrity, objectivity and accuracy of the financial information. The Council reviews and approves the financial information.
Basis of Accounting	<p>The financial information has been prepared in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada as prescribed by the Ontario Ministry of Municipal Affairs and Housing.</p> <p>Receipts and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes receipts 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.</p>
Use of Estimates	The preparation of financial information in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial information, and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.
Basis of Consolidation	These trust funds have not been consolidated with the financial statements of the municipality.
