

**CONSOLIDATED FINANCIAL REPORT**

**THE CORPORATION OF THE  
TOWNSHIP OF BLACK RIVER-MATHESON**

**DISTRICT OF COCHRANE**

**YEAR ENDED DECEMBER 31, 2019**

## INDEX

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## **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The accompanying financial statements of the Corporation of the Township of Black River-Matheson are the responsibility of the Corporation of the Township of Black River-Matheson's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Corporation of the Township of Black River-Matheson's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by Kemp Elliott & Blair LLP, independent external auditors appointed by the Corporation of the Township of Black River-Matheson. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Corporation of the Township of Black River-Matheson's financial statements.

*CASSANDRA CHILD*

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Clerk-Treasurer  
Cassandra Child

## **INDEPENDENT AUDITORS' REPORT**

To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the Township of Black River-Matheson:

### **Opinion**

We have audited the consolidated financial statements of the Corporation of the Township of Black River-Matheson, which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, 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 consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Black River-Matheson as at December 31, 2019, and the results of its operations, change in net financial assets 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Corporation of the Township of Black River-Matheson 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 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 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 Corporation of the Township of Black River-Matheson'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 Corporation of the Township of Black River-Matheson or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation of the Township of Black River-Matheson's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated 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 auditors' 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 Corporation of the Township of Black River-Matheson'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 Corporation of the Township of Black River-Matheson's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Corporation of the Township of Black River-Matheson 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.

Kemp Elliott & Blair LLP

*Kemp Elliott & Blair LLP*

Licensed Public Accountants  
New Liskeard, Ontario  
December 8, 2020

Chartered Professional Accountants

**THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

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<b>FINANCIAL ASSETS</b>	2019	2018
Cash	\$ 782,735	\$ 1,490,752
Short-term investments – note 5	7,018,323	6,911,502
Taxes receivable	345,767	324,589
Accounts receivable	758,010	676,812
Long-term receivable – tile drainage – note 9	27,505	30,127
	8,932,340	9,433,782
 <b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,147,243	791,135
Employee sick leave payable – note 14	20,493	34,959
Landfill closure and post-closure liability – note 6	135,500	127,000
Deferred revenue – other – note 7	162,312	34,663
Deferred revenue – obligatory reserve fund – note 8	473,023	161,330
Municipal debt – tile drainage – note 9	27,505	30,127
Municipal debt – other – note 10	69,284	86,598
	2,035,360	1,265,812
 <b>NET FINANCIAL ASSETS</b>	 6,896,980	 8,167,970
 <b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets – note 16	14,497,612	13,598,443
Inventories of supplies	390,220	339,069
	14,887,832	13,937,512
 <b>ACCUMULATED SURPLUS – note 12</b>	 \$ 21,784,812	 \$ 22,105,482

Contingent liabilities and commitments – note 14

The accompanying notes form an integral part of these consolidated financial statements.

On behalf of Council:

*Gilles Zadoro*

Mayor

*CASSANDRA CHILD*

Clerk-treasurer

**THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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	2019 Budget (Note 11)	2019 Actual	2018 Actual
<b>REVENUES</b>			
Operating revenues			
Municipal taxation	\$ 3,903,717	\$ 3,932,804	\$ 3,753,157
Water, sewer and garbage charges	1,009,049	1,011,244	1,014,986
User charges	243,427	210,381	296,588
Provincial grants	1,570,095	1,963,504	1,545,897
Federal grants	69,800	34,143	1,675
Investment income	116,000	150,924	156,728
Penalties and interest on taxes	52,000	58,222	58,722
Provincial Offences Act revenues	20,000	37,817	24,735
Gain (loss) on disposal of tangible capital assets	-	24,254	(68,802)
Other	36,940	89,247	27,294
	<u>7,021,028</u>	<u>7,512,540</u>	<u>6,810,980</u>
Capital revenues			
Provincial grants	94,676	24,306	51,808
Federal grants	515,761	200,310	435,288
Other	-	-	8,040
	<u>610,437</u>	<u>224,616</u>	<u>495,136</u>
Total revenues	<u>7,631,465</u>	<u>7,737,156</u>	<u>7,306,116</u>
<b>EXPENDITURES</b>			
General government	1,347,363	1,461,703	1,039,240
Protection to persons and property	1,066,693	986,950	911,403
Transportation services	2,820,884	2,732,995	2,518,856
Environmental services	1,356,511	1,176,943	1,133,930
Health services	444,246	387,567	340,951
Social and family services	539,224	530,281	453,416
Recreation and cultural services	627,739	563,744	555,920
Planning and development	283,915	217,643	180,818
Total expenditures	<u>8,486,575</u>	<u>8,057,826</u>	<u>7,134,534</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	(855,110)	(320,670)	171,582
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>22,105,482</u>	<u>22,105,482</u>	<u>21,933,900</u>
<b>ACCUMULATED SURPLUS, END OF YEAR – note 12</b>	<u>\$ 21,250,372</u>	<u>\$ 21,784,812</u>	<u>\$ 22,105,482</u>

The accompanying notes form an integral part of these consolidated financial statements.

**THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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	2019 Budget (Note 11)	2019 Actual	2018 Actual
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (855,110)	\$ (320,670)	\$ 171,582
Acquisition of tangible capital assets	(2,712,500)	(1,582,271)	(851,961)
Amortization of tangible capital assets	640,000	682,606	639,780
Proceeds for sale of tangible capital assets	25,000	24,750	-
Loss (gain) on disposal of tangible capital assets	-	(24,254)	68,802
Costs to dispose tangible capital assets	-	-	(30,528)
Acquisition of inventories of supplies	-	(51,151)	(189,049)
Decrease in net financial assets	(2,902,610)	(1,270,990)	(191,374)
Net financial assets, beginning of year	<u>8,167,970</u>	<u>8,167,970</u>	<u>8,359,344</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>\$ 5,265,360</u>	<u>\$ 6,896,980</u>	<u>\$ 8,167,970</u>

The accompanying notes form an integral part of these consolidated financial statements.



**THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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<b>OPERATIONS</b>	<u>2019</u>	<u>2018</u>
Annual surplus (deficit)	\$ (320,670)	\$ 171,582
Charges not affecting cash –		
Amortization of tangible capital assets	682,606	639,780
Loss (gain) on disposal of tangible capital assets	<u>(24,254)</u>	<u>68,802</u>
	<u>337,682</u>	<u>880,164</u>
Other sources (uses) of cash –		
Change in taxes receivable	(21,178)	8,257
Change in accounts receivable	(81,198)	(268,500)
Change in accounts payable and accrued liabilities	356,108	327,568
Change in employee sick leave payable	(14,466)	(16,989)
Change in accrued landfill closure and post-closure liability	8,500	2,000
Change in deferred revenue – other	127,649	20,766
Change in deferred revenue – obligatory reserve funds	311,693	10,093
Change in inventories of supplies	<u>(51,151)</u>	<u>(189,049)</u>
	<u>635,957</u>	<u>(105,854)</u>
Total cash provided by operations	<u>973,639</u>	<u>774,310</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(1,582,271)	(851,961)
Proceeds from sale of tangible capital assets	24,750	-
Costs to dispose tangible capital assets	-	<u>(30,528)</u>
Total cash used for capital transactions	<u>(1,557,521)</u>	<u>(882,489)</u>
<b>INVESTING TRANSACTIONS</b>		
Acquisition of short-term investments	<u>(106,821)</u>	<u>(104,973)</u>
<b>FINANCING TRANSACTIONS</b>		
Municipal debt proceeds	-	90,853
Municipal debt repayments	<u>(17,314)</u>	<u>(4,255)</u>
Total cash provided by (used for) financing transactions	<u>(17,314)</u>	<u>86,598</u>
<b>DECREASE IN CASH</b>	(708,017)	(126,554)
Cash, beginning of year	<u>1,490,752</u>	<u>1,617,306</u>
<b>CASH, END OF YEAR</b>	<u>\$ 782,735</u>	<u>\$ 1,490,752</u>
<b>REPRESENTED BY</b>		
Cash	<u>\$ 782,735</u>	<u>\$ 1,490,752</u>

The accompanying notes form an integral part of these consolidated financial statements.

# THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2019

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The Corporation of the Township of Black River-Matheson is a township in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act 2001, Provincial Offences Act and other related legislation.

#### 1. **Accounting policies**

The consolidated financial statements of the Corporation of the Township of Black River-Matheson are the representation of management and council and are prepared in accordance with generally accepted accounting principles for local government as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada as prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing.

#### **Use of estimates**

Management has made estimates and assumptions that affect the amounts reported in preparing these consolidated financial statements. Significant areas requiring the use of management estimates relate to the determination of tangible capital assets historical cost, estimated useful life and related amortization and landfill post-closure liability.

#### **Basis of consolidation**

The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves and changes in investment in tangible capital assets of the Township and include the activities of all committees of Council and the following boards, municipal enterprises and utilities which are under the control of Council:

The Corporation of the Township of Black River-Matheson Library Board  
The Corporation of the Township of Black River-Matheson Museum Committee

Separate schedules for these boards have also been prepared. All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

#### **Non-consolidated entities**

The following local boards, joint local boards, municipal enterprises and utilities are not consolidated:

*Porcupine Health Unit*  
*Cochrane District Social Services Administration Board*

Although these are joint local boards they run autonomously to provide those services mandated by the Province. The Township has no control over these programs or their financing. These joint local boards are not proportionately consolidated. The yearly requisitions of these boards are expensed by the Township in its statements.

#### **Accounting for school board transactions**

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in these statements.

#### **Inventories of supplies**

Inventories of supplies held for consumption are recorded at the lower of cost or replacement cost.

# THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2019

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#### 1. Accounting policies – continued

##### Trust funds

Trust funds and their related operations administered by the Township are not consolidated, but are reported separately on the “Trust Funds Statement of Continuity and Financial Position”.

##### Municipal drains

Municipal drain construction and maintenance expenses are recorded as incurred. Financing is reflected at the same time. Generally, costs will be covered by the province or landowners with the Township only responsible for costs allocated to Township roads.

##### Short-term investments

Short-term investments are recorded at cost. Investment income earned on surplus funds is reported as revenue in the period earned.

##### 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 costs, less the residual values, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	10 to 50 years
Buildings	25 to 50 years
Vehicles	15 to 25 years
Equipment	5 to 50 years
Underground networks	40 to 50 years
Roads	7 to 50 years
Bridges	75 years
Culverts	30 years

A full year of amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for use.

The Township has no capitalization threshold for land and buildings, a capitalization threshold of \$10,000 for infrastructure systems and \$2,500 for all other assets. Individual assets of lesser value are expensed, unless they are pooled, because, collectively, they have significant value.

##### Deferred revenue – other

The Township receives certain amounts pursuant to funding agreements that may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recorded as deferred revenue and are recognized as revenue in the fiscal year the eligibility criteria has been met except when stipulations are present and to the extent that the transfer give rise to an obligation that meets the definition of a liability.

##### Deferred revenue – obligatory reserve funds

The Township receives Federal Gas Tax funding under the authority of the Federal legislation. These funds, by their nature, are restricted in their use and until applied to specific expenses, are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

# THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2019

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1. **Accounting policies – continued**

**Revenue recognition**

*Government transfers (provincial and federal grants)*

Government transfers are transfers from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. A transfer with eligibility criteria is recognized as revenue when the transfer is authorized and all eligibility criteria have been met. A transfer with or without eligibility criteria but with stipulation is recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except where and to the extent that the transfer gives rise to an obligation that meets the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

*Taxation and related revenues*

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Township is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Township determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded when they meet the definition of an asset, the tax is authorized and the taxable event has occurred. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known.

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.

*Fees, service charges and other revenue*

Fees, service charges and other revenue are recognized when earned.

2. **Operations of school boards**

Further to note 1, the taxation levied on behalf of and due to the school boards is:

	2019	2018
	<u>\$ 1,306,496</u>	<u>\$ 1,295,257</u>

3. **Contributions to Joint Boards**

Further to note 1, the following contributions were made by the Township to these boards:

	2019	2018
Porcupine Health Unit	<u>\$ 90,052</u>	<u>\$ 86,554</u>
Cochrane District Social Services Administration Board (CDSSAB)	<u>\$ 801,360</u>	<u>\$ 681,317</u>

4. **Trust Funds**

Trust funds administered by the Township amounting to \$193,625 (2018 \$189,275) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations". A separate set of financial statements is prepared for the trust funds.

# THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2019

5.	<b>Short-term investments</b>	Market Value	Cost	Cost
		2019	2019	2018
	Investments held through The ONE Investment Program:			
	Bond portfolio	\$ 2,302,112	\$ 2,353,319	\$ 2,301,481
	Universe Corporate Bond portfolio	2,362,944	2,357,367	2,302,384
	Equity portfolio	2,904,237	2,307,637	2,307,637
		<u>\$ 7,569,293</u>	<u>\$ 7,018,323</u>	<u>\$ 6,911,502</u>

6. **Landfill closure and post-closure liability**

The liability for closure and post-closure of the landfill sites has been recognized using the present value of the estimated closure and post-closure costs, based upon the usage of the sites' capacity.

The discount factor used for all 5 sites is 4.2% net of inflation of 2.2%. Figures used for the calculation of the liability for closure and post-closure costs of each site is detailed below:

	Matheson	Val Gagne	Butler Lake	Ramore	Munroe	Total
Total capacity (m <sup>3</sup> )	126,000	40,000	5,000	15,000	26,000	212,000
Landfilled area (m <sup>3</sup> )	43,716	16,529	2,088	14,951	4,438	81,722
Remaining capacity (m <sup>3</sup> )	82,284	23,471	2,912	49	21,562	130,278
Estimated life (yrs)	73	40	86	-	63	-
Post-closure care (yrs)	2	5	5	5	5	-
Liability at Dec 31, 2019 (\$)	21,900	19,100	6,300	82,700	5,500	135,500
Closure costs (\$)	235,600	50,000	50,000	50,000	70,000	455,600
Post-closure costs (\$)	34,000	55,000	35,000	35,000	45,000	204,000
Liability remaining to be recognized (\$)	247,700	85,900	78,700	2,300	109,500	524,100

7. **Deferred revenue – other**

Deferred revenue – other consists of the following:

	December 31 2018	Funds Received	Revenue Earned	December 31 2019
Provincial government	\$ 34,663	\$ 137,649	\$ 10,000	\$ 162,312

8. **Deferred revenue – obligatory reserve funds**

Deferred revenue – obligatory reserve funds consist of the following:

	December 31 2018	Funds Received	Revenue Earned	December 31 2019
Federal Gas Tax	\$ 161,330	\$ 311,693	\$ -	\$ 473,023

# THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2019

9. **Long-term receivables / municipal debt – tile drainage**

The Township is liable for long-term liabilities with respect to tile drainage assistance loans for which the responsibility for the payment of principal and interest has been assumed by the benefiting landowners. The total amount outstanding as at December 31, 2019 is \$27,505 (2018 \$30,127) and is reflected as municipal debt and long-term receivables on the Consolidated Statement of Financial Position.

10. **Municipal debt**

The balance of the municipal debt reported on the “Consolidated Statement of Financial Position” consists of the following loan:

	<u>2019</u>	<u>2018</u>
Term loan with OCWA, payable in blended monthly installments of \$1,621 plus interest at 2.72%, final installment due January 2021. The debt relates to the purchase of equipment.	\$ 69,284	\$ 86,598

Principal payments are due as follows:

2020	\$ 17,791
2021	18,281
2022	18,785
2023	<u>14,427</u>
	<u>\$ 69,284</u>

The debt is to be repaid from general municipal revenues. Total interest paid on the loan in 2019 was \$2,142.

11. **Budget**

The Budget adopted by Council was not prepared on a basis consistent with that used to report actual results according to Public Sector Accounting Standards used on the Consolidated Statement of Operations on page 5. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The actual budget is reflected in note 17. It expenses all tangible capital expenditures, does not include amortization expense, reflects proceeds of long-term debt as revenue, principal repayments of long-term debt as an expense and the full proceeds from the sale of tangible capital assets as revenue. The budget figures presented in the consolidated statements of operations and change in net financial assets represent the financial plan adopted by Council with adjustments as follows:

	<u>2019</u>
Actual budget deficit for the year – note 17	\$ (2,951,318)
Add: Investment in tangible capital assets	2,712,500
Long-term debt repayments	48,708
Less: Estimated amortization	(640,000)
Proceeds from sale of tangible capital assets	<u>(25,000)</u>
Budget deficit per statement of operations – page 5	<u>\$ (855,110)</u>

# THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2019

#### 12. Accumulated surplus

Reserves represent an appropriation of surplus for a specific purpose, determined by council, are non-statutory and subject to change by council at any time.

	<u>2019</u>	<u>2018</u>
Reserves		
Working funds reserve	\$ 2,172,188	\$ 3,911,695
Fire equipment reserve	132,660	178,461
Public works reserve	-	176,014
Administration reserve	195,393	195,393
Recreation reserve	73,096	99,085
Library reserve – note 21	3,035	3,035
Museum reserve – note 22	25,575	25,575
Cemeteries reserve	36,312	36,312
Economic development reserve	171,060	171,060
Planning reserve	1,628	1,628
Infrastructure reserve	524,900	524,900
Protective inspection/by-law reserve	11,250	11,250
Tax rate stabilization reserve	334,334	334,334
Water reserve – note 19	1,481,855	1,337,668
Sewer reserve – note 18	1,141,235	1,009,278
Garbage collection reserve – note 20	45,543	33,611
Landfill reserve	205,269	205,269
Modernization reserve	443,000	-
	<u>6,998,333</u>	<u>8,254,568</u>
Amounts to be recovered		
Unfinanced capital expenditures	(32,069)	-
Unfinanced municipal debt	(69,284)	(86,598)
Net financial assets	<u>6,896,980</u>	<u>8,167,970</u>
Non-financial assets		
Invested in tangible capital assets	14,497,612	13,598,443
Inventories of supplies	390,220	339,069
	<u>14,887,832</u>	<u>13,937,512</u>
<b>Accumulated surplus</b>	<u><b>\$ 21,784,812</b></u>	<u><b>\$ 22,105,482</b></u>

#### Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

#### 13. Revolving line of credit

The Township has a \$2,000,000 business operating line negotiated with CIBC with a balance outstanding of \$nil (2018 \$nil) and interest is at bank prime plus 0.25% (currently 4.2%).

**THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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14. **Contingent liabilities and commitments**

**Non-Consolidated Entities**

The Township is contingently liable for the deficits and long-term debt of the non-consolidated entities.

**Ontario Municipal Employees Retirement Fund**

All permanent, full-time employees of the Township are eligible to be members of the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay.

As this is a multi-employer pension plan, the contributions by the Township are recognized as an expenditure. No pension liability for this type of plan is recognized in the Township's consolidated financial statements. Contributions made by the Township to OMERS for 2019 were \$160,473 (2018 \$125,154). The plan had an actuarial deficit of \$3.4 billion at the end of 2019.

**Employee Sick Leave payable**

Under the sick leave benefit plan, unused sick leave can be accumulated and employees may become entitled to a cash payment when they leave the Township's employment.

The liability for sick leave, to the extent that it has vested and could be taken in cash by an employee on termination, amounted to \$20,493 (2018 \$34,959). This is reflected as a liability in the financial statements. There are no other obligations to municipal employees related to retirement or other post-employment benefits.

**Funding agreements**

Under the terms of various funding agreements, the Township could have provincial and federal grants become repayable if it is determined that funding was applied towards ineligible costs or if other terms of the agreements were not met. At year end management is of the opinion that all conditions have been met and funding was applied towards eligible costs.

**Legal contingencies**

Various other statements of claim have been issued against the Township claiming damages. Damages, if any, cannot be estimated at this time and in any event, the Township is of the opinion that these claims would be unfounded or covered by insurance after application of a \$5,000 deductible per claim. Should any loss result, it would be charged to operations when the amount is ascertained.

15. **Segmented information**

The Corporation of the Township of Black River-Matheson is a diversified municipal government institution that provides a wide range of services to its citizens, including General Government Services, Protection Services, Transportation Services, Environmental Services, Health Services, Social and Family Services, Recreational and Cultural Services and Planning and Development Services. Service areas were created for the purpose of recording specific activities to attain certain objectives in accordance with regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these service areas. Departments disclosed in the Segmented Information, along with the services they provide, are as follows:

**General Government Services**

General government services consists of departments that are responsible for adopting bylaws, adopting administrative policy, levying taxes, acquiring, disposing and managing municipal assets, ensuring effective financial management, monitoring performance and ensuring that high quality municipal service standards are met.



# THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2019

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15. **Segmented information (continued)**

**Protection Services**

Protection services consists of departments that are responsible for the enforcement of laws, prevention of crime, and maintenance of peace, order, and security by protecting life, property and the environment through the provision of emergency response, thus ensuring safe homes and safe communities.

**Transportation Services**

Transportation services consists of departments that are responsible for the delivery of municipal public works services related to planning, design, construction, cleaning, repair, snow removal and signage of roadway systems.

**Environmental Services**

Environmental services include water and sewer services as well as garbage services. Water and sewer services include the operation and distribution of water and networking sewer mains, storm sewers and lagoons. The garbage service is responsible for garbage collection and disposal.

**Health Services**

The Township funds a range of public health services through the Porcupine Health Unit and provides ambulance services through the District Social Services Administration Board. The Township also provides cemetery services.

**Social and Family Services**

The Township funds a range of family and social services through the District Social Services Administration Board which includes social housing, childcare and general assistance.

**Recreation and Cultural Services**

Recreation and cultural services consists of departments that are responsible for providing, facilitating the development of, and maintaining high quality parks, recreational facilities, and cultural services.

**Planning and Development Services**

Planning and development services consists of departments that are responsible for preparing land use plans, bylaws and policies for sustainable development of the Township and for reviewing and approving new development.

**THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

15. **Segmented information – continued**

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development Services	Total 2019	Total 2018
<b>Revenues</b>										
<b>Operating revenues</b>										
Municipal taxation	\$ 3,932,804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,932,804	\$ 3,753,157
Water, sewer and garbage charges	-	-	-	1,011,244	-	-	-	-	1,011,244	1,014,986
User charges	22,582	63,504	-	35,689	19,030	-	54,222	15,354	210,381	296,588
Provincial grants	1,894,935	21,190	7,045	-	-	-	8,123	32,211	1,963,504	1,545,897
Federal grants	-	-	-	-	-	-	7,610	26,533	34,143	1,675
Investment income	146,173	-	-	-	4,751	-	-	-	150,924	156,728
Penalties and interest on taxes	51,077	-	-	7,145	-	-	-	-	58,222	58,722
Provincial Offences Act revenues	-	37,817	-	-	-	-	-	-	37,817	24,735
Gain (loss) on disposal of tangible capital assets	-	24,254	-	-	-	-	-	-	24,254	(68,802)
Other	57,785	25,500	-	-	-	-	5,962	-	89,247	27,294
	<u>6,105,356</u>	<u>172,265</u>	<u>7,045</u>	<u>1,054,078</u>	<u>23,781</u>	<u>-</u>	<u>75,917</u>	<u>74,098</u>	<u>7,512,540</u>	<u>6,810,980</u>
<b>Capital revenues</b>										
Provincial grants	-	-	-	-	-	-	24,306	-	24,306	51,808
Federal grants	-	-	-	-	-	-	200,310	-	200,310	435,288
Other	-	-	-	-	-	-	-	-	-	8,040
Total revenues	<u>6,105,356</u>	<u>172,265</u>	<u>7,045</u>	<u>1,054,078</u>	<u>23,781</u>	<u>-</u>	<u>300,533</u>	<u>74,098</u>	<u>7,737,156</u>	<u>7,306,116</u>
<b>Expenditures</b>										
Wages and benefits	729,420	226,113	1,217,383	113,279	21,533	-	279,300	37,027	2,624,055	2,179,100
Interest on long-term debt	-	-	-	2,142	-	-	-	-	2,142	609
Materials	250,483	139,667	763,573	232,764	3,067	-	204,539	40,620	1,634,713	1,505,330
Contracted services	406,730	553,614	350,725	706,089	-	-	-	139,996	2,157,154	2,015,460
Rents and financial expenses	65,744	-	-	-	-	-	-	-	65,744	26,384
External transfers	-	-	-	-	361,131	530,281	-	-	891,412	767,871
Amortization	9,326	67,556	401,314	122,669	1,836	-	79,905	-	682,606	639,780
Total expenditures	<u>1,461,703</u>	<u>986,950</u>	<u>2,732,995</u>	<u>1,176,943</u>	<u>387,567</u>	<u>530,281</u>	<u>563,744</u>	<u>217,643</u>	<u>8,057,826</u>	<u>7,134,534</u>
<b>Annual surplus (deficit)</b>	<u>\$ 4,643,653</u>	<u>\$ (814,685)</u>	<u>\$ (2,725,950)</u>	<u>\$ (122,865)</u>	<u>\$ (363,786)</u>	<u>\$ (530,281)</u>	<u>\$ (263,211)</u>	<u>\$ (143,545)</u>	<u>\$ (320,670)</u>	<u>\$ 171,582</u>

# THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2019

#### 16. Schedule of tangible capital assets

2019

	Opening Cost Dec 31, 2018	Additions	Disposals	Ending Cost Dec 31, 2019	Opening Accumulated Amortization Dec 31, 2018	Accumulated Amortization on Disposals	Current Amortization	Ending Accumulated Amortization Dec 31, 2019	Net Assets Dec 31, 2019
<b>General</b>									
Buildings	\$ 3,837,284	\$ -	\$ 24,757	\$ 3,812,527	\$ 2,225,175	\$ 24,261	\$ 73,775	\$ 2,274,689	\$ 1,537,838
Land improvements	1,549,767	49,200	93	1,598,874	963,651	93	35,041	998,599	600,275
Vehicles	2,561,967	581,631	44,377	3,099,221	1,382,588	44,377	149,447	1,487,658	1,611,563
Equipment	5,268,573	87,947	-	5,356,520	2,801,404	-	177,533	2,978,937	2,377,583
<b>Infrastructure</b>									
Roads	10,862,603	-	-	10,862,603	7,969,707	-	102,445	8,072,152	2,790,451
Bridges	4,266,142	-	-	4,266,142	1,271,685	-	56,881	1,328,566	2,937,576
Culverts	1,484,843	-	-	1,484,843	1,187,737	-	49,495	1,237,232	247,611
Underground networks	3,551,197	-	-	3,551,197	2,434,556	-	32,231	2,466,787	1,084,410
Street lights	172,729	-	-	172,729	28,790	-	5,758	34,548	138,181
Assets under construction	308,631	863,493	-	1,172,124	-	-	-	-	1,172,124
<b>Total</b>	<b>\$ 33,863,736</b>	<b>\$ 1,582,271</b>	<b>\$ 69,227</b>	<b>\$ 35,376,780</b>	<b>\$ 20,265,293</b>	<b>\$ 68,731</b>	<b>\$ 682,606</b>	<b>\$ 20,879,168</b>	<b>\$ 14,497,612</b>

# THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2019

#### 16. Schedule of tangible capital assets – continued

2018

	Opening Cost Dec 31, 2017	Additions	Disposals	Ending Cost Dec 31, 2018	Opening Accumulated Amortization Dec 31, 2017	Accumulated Amortization on Disposals	Current Amortization	Ending Accumulated Amortization Dec 31, 2018	Net Assets Dec 31, 2018
<b>General</b>									
Buildings	\$ 3,803,938	\$ 33,346	\$ -	\$ 3,837,284	\$ 2,150,898	\$ -	\$ 74,277	\$ 2,225,175	\$ 1,612,109
Land improvements	1,549,767	-	-	1,549,767	929,595	-	34,056	963,651	586,116
Vehicles	2,561,967	-	-	2,561,967	1,271,913	-	110,675	1,382,588	1,179,379
Equipment	4,931,897	336,676	-	5,268,573	2,627,453	-	173,951	2,801,404	2,467,169
<b>Infrastructure</b>									
Roads	10,689,295	173,308	-	10,862,603	7,867,261	-	102,446	7,969,707	2,892,896
Bridges	4,311,306	-	45,164	4,266,142	1,257,157	42,353	56,881	1,271,685	2,994,457
Culverts	1,484,843	-	-	1,484,843	1,138,242	-	49,495	1,187,737	297,106
Underground networks	3,551,197	-	-	3,551,197	2,402,315	-	32,241	2,434,556	1,116,641
Street lights	172,729	-	-	172,729	23,032	-	5,758	28,790	143,939
Assets under construction	35,463	308,631	35,463	308,631	-	-	-	-	308,631
<b>Total</b>	<b>\$ 33,092,402</b>	<b>\$ 851,961</b>	<b>\$ 80,627</b>	<b>\$ 33,863,736</b>	<b>\$ 19,667,866</b>	<b>\$ 42,353</b>	<b>\$ 639,780</b>	<b>\$ 20,265,293</b>	<b>\$ 13,598,443</b>

# THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2019

#### 17. Budgeting

The Township budgets to determine an appropriate tax rate based on all budgeted revenues and expenditures.

The consolidated statement of operations on page 5 has been modified here to exclude amortization and to include tangible capital asset expenditures and the principal repayments on long-term debt.

This modified statement of operations (budget based) is consistent with the budget format used and is presented here with the 2019 budget.

	2019 Budget	2019 Actual	2018 Actual
<b>REVENUES</b>			
Operating revenues			
Municipal taxation	\$ 3,903,717	\$ 3,932,804	\$ 3,753,157
Water, sewer and garbage charges	1,009,049	1,011,244	1,014,986
User charges	243,427	210,381	296,588
Provincial grants	1,570,095	1,963,504	1,545,897
Federal grants	69,800	34,143	1,675
Investment income	116,000	150,924	156,728
Penalties and interest on taxes	52,000	58,222	58,722
Provincial Offences Act revenues	20,000	37,817	24,735
Proceeds from sale of tangible capital assets	25,000	24,750	-
Other	36,940	89,247	27,294
	<u>7,046,028</u>	<u>7,513,036</u>	<u>6,879,782</u>
Capital revenues			
Provincial grants	94,676	24,306	51,808
Federal grants	515,761	200,310	435,288
Other	-	-	8,040
Proceeds from long-term debt	-	-	90,853
	<u>610,437</u>	<u>224,616</u>	<u>585,989</u>
Total revenues	<u>7,656,465</u>	<u>7,737,652</u>	<u>7,465,771</u>
<b>EXPENDITURES</b>			
Operating expenditures			
General government	1,338,363	1,452,377	1,029,916
Protection to persons and property	1,000,693	919,394	845,335
Transportation services	2,452,884	2,382,832	2,340,396
Environmental services	1,241,511	1,054,274	1,018,341
Health services	442,246	385,731	339,115
Social and family services	539,224	530,281	453,416
Recreation and cultural services	547,739	483,839	476,467
Planning and development	283,915	217,643	180,818
	<u>7,846,575</u>	<u>7,426,371</u>	<u>6,683,804</u>
Capital expenditures	2,712,500	1,582,271	851,961
Cost to dispose tangible capital assets	-	-	30,528
Long term debt repayment	48,708	17,313	4,255
Total expenditures	<u>10,607,783</u>	<u>9,025,955</u>	<u>7,570,548</u>
<b>Deficit full budget base</b>			
<b>(budgeted to be transferred from reserves)</b>	<u>\$ (2,951,318)</u>	<u>\$ (1,288,303)</u>	<u>\$ (104,777)</u>

# THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2019

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18. **Sewer systems Schedule of Operations and Continuity of Reserve**

This schedule is not prepared according to PSAB accounting rules. It is operational. It excludes depreciation, includes capital revenue and expenses, and includes proceeds and repayments of long-term debt.

	2019	2018
<b>Revenue</b>		
User fees and service charges	\$ 458,936	\$ 461,895
Proceeds from long-term debt	-	90,853
Total revenues	<u>458,936</u>	<u>552,748</u>
<b>Expenditures</b>		
Wages and benefits	4,682	16,447
Materials, supplies and other	46,926	61,446
Contracts	219,844	192,088
Maintenance	36,072	9,138
Capital expenses	-	90,853
Long-term debt - principal	17,313	4,255
- interest	<u>2,142</u>	<u>609</u>
Total expenditures	<u>326,979</u>	<u>374,836</u>
Annual surplus – transferred to reserve	131,957	177,912
Reserve, beginning of year	<u>1,009,278</u>	<u>831,366</u>
<b>Reserve, end of year</b>	<u>\$ 1,141,235</u>	<u>\$ 1,009,278</u>

# THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2019

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19. **Water systems Schedule of Operations and Continuity of Reserve**

This schedule is not prepared according to PSAB accounting rules. It is operational. It excludes depreciation, includes capital revenue and expenses, and includes proceeds and repayments of long-term debt.

	2019	2018
<b>Revenue</b>		
User fees and service charges	\$ 518,954	\$ 519,374
Federal grants – capital	-	50,000
Provincial grants – capital	-	25,000
Total revenues	<u>518,954</u>	<u>594,374</u>
<b>Expenditures</b>		
Wages and benefits	25,855	45,992
Materials and supplies	73,233	81,951
Contracted services	211,894	203,181
Maintenance	63,785	37,169
Capital expenses	-	175,869
Total expenditures	<u>374,767</u>	<u>544,162</u>
Annual surplus – transferred to reserve	144,187	50,212
Reserve, beginning of year	<u>1,337,668</u>	<u>1,287,456</u>
<b>Reserve, end of year</b>	<u>\$ 1,481,855</u>	<u>\$ 1,337,668</u>

**THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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20. **Garbage collection Schedule of Operations and Continuity of Reserve**

This schedule is not prepared according to PSAB accounting rules. It is operational. It excludes depreciation, includes capital revenue and expenses, and includes proceeds and repayments of long-term debt.

	2019	2018
<b>Revenue</b>		
User fees and service charges	\$ 62,818	\$ 62,054
 <b>Expenditures</b>		
Garbage collection contracts	50,886	56,023
Annual surplus – transferred to reserve	11,932	6,031
Reserve, beginning of year	33,611	27,580
<b>Reserve, end of year</b>	\$ 45,543	\$ 33,611



# THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2019

#### 21. **Library Board Schedule of Operations**

This schedule is not prepared according to PSAB accounting rules. It is operational. It excludes depreciation, includes capital revenue and expenses, and includes proceeds and repayments of long-term debt (if applicable).

	2019	2018
<b>Revenue</b>		
Municipal contributions	\$ 88,136	\$ 83,636
Province of Ontario – annual operating grant	7,995	7,995
Province of Ontario – other	128	11,332
User fees and service charges	8,311	7,972
Donations	1,572	608
Transfer from reserve	-	6,965
Total revenue	<u>106,142</u>	<u>118,508</u>
<b>Expenditures</b>		
Wages and benefits	64,177	61,658
Books, videos and computer software	12,781	11,139
Utilities and water	11,684	12,118
Office and computer	14,507	23,866
Insurance	1,695	1,309
Other	1,298	1,453
Capital expenses	-	6,965
Total expenditures	<u>\$ 106,142</u>	<u>\$ 118,508</u>

The library board has a reserve of \$3,035 (2018 \$3,035) designated for library purposes.

# THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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22. **Museum Committee Schedule of Operations**

This statement is not prepared according to PSAB. It is operational. It excludes depreciation, includes capital revenue and expenses, and includes proceeds and repayments of long-term debt.

	2019	2018
<b>Revenue</b>		
Municipal contributions	\$ 27,070	\$ 38,339
Admissions, memberships and other	-	40
Donations and fundraising	4,390	4,195
Federal grants – operating	1,890	-
Total revenue	<u>33,350</u>	<u>42,574</u>
<b>Expenditures</b>		
Wages and benefits	17,966	15,920
Materials and services	15,384	26,654
Total expenditures	<u>33,350</u>	<u>42,574</u>
Transfer from working funds reserve	-	2,500
Reserve, beginning of year	<u>25,575</u>	<u>23,075</u>
<b>Reserve, end of year</b>	<u>\$ 25,575</u>	<u>\$ 25,575</u>

**NOTICE TO READER**

To the Members of Council, Inhabitants  
and Ratepayers of the Corporation  
of the TOWNSHIP OF BLACK RIVER-MATHESON:

On the basis of information provided by management, we have compiled the statement of financial position of the TRUST FUNDS of the Corporation of the TOWNSHIP OF BLACK RIVER-MATHESON as at December 31, 2019 and the statement of continuity for the year then ended.

We have not performed an audit or a review engagement in respect of these consolidated financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Kemp Elliott & Blair LLP

Licensed Public Accountants  
New Liskeard, Ontario  
December 8, 2020

*Kemp Elliott & Blair LLP*

Chartered Professional Accountants

(Unaudited – See Notice to Reader)

**THE CORPORATION OF THE TOWNSHIP OF BLACK RIVER-MATHESON****TRUST FUNDS – CEMETERY PERPETUAL CARE****STATEMENT OF CONTINUITY****FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 189,275	\$ 186,935
Capital receipts	<u>4,350</u>	<u>2,340</u>
<b>BALANCE, END OF YEAR</b>	<b>\$ 193,625</b>	<b>\$ 189,275</b>

**STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>FINANCIAL ASSETS</b>		
Short-term investments	<u>\$ 200,353</u>	<u>\$ 190,865</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Due to Township of Black River-Matheson	6,728	1,590
Fund balance	<u>193,625</u>	<u>189,275</u>
	<b>\$ 200,353</b>	<b>\$ 190,865</b>

**NOTES TO THE FINANCIAL STATEMENTS**

- Accounting Policy**  
The activities of the trust funds are reported on the cash basis with the exception of amounts due to the Corporation of the Township of Black River-Matheson.
- Interest earned by the Cemetery Perpetual Care Fund is transferred directly to the Township bank account to fund current year operations and is not recorded in this statement.