

**Corporation of the Township of  
Plummer Additional  
Consolidated Financial Statements  
For the year ended December 31, 2019**

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Consolidated Financial Statements  
For the year ended December 31, 2019**

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## Corporation of the Township of Plummer Additional Management's Responsibility for Financial Reporting

December 31, 2019

The accompanying consolidated financial statements of the Corporation of the Township of Plummer Additional are the responsibility of management and have been approved by the Mayor and Treasurer on behalf of Council.

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

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

The municipal Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the ratepayers and inhabitants of the municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the municipality's consolidated financial statements.

 Mayor

A handwritten signature in black ink, appearing to read "Treasurer", is written over a horizontal line. The line starts under the signature and extends to the right, ending with the word "Treasurer".

Treasurer

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## Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of  
Corporation of the Township of Plummer Additional

**Opinion**

We have audited the consolidated financial statements of Corporation of the Township of Plummer Additional (the municipality), 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 consolidated financial position of the municipality as at December 31, 2019, and its consolidated results of operations, its consolidated change in net financial assets, 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 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 these 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 Responsibilities for the Audit of the Consolidated Financial Statements**

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

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## Independent Auditor's Report (continued)

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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 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

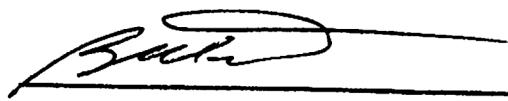
Sault Ste. Marie, Ontario

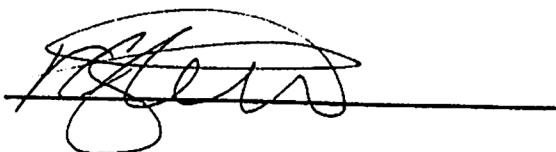
August 19, 2020

**Corporation of the Township of Plummer Additional  
Consolidated Statement of Financial Position**

December 31	2019	2018
<b>Financial assets</b>		
Cash and short term investments	\$ 1,354,965	\$ 1,067,985
Taxes receivable (Note 2)	181,373	210,665
Accounts receivable	<u>259,332</u>	<u>176,860</u>
	<u>1,795,670</u>	<u>1,455,510</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	191,858	139,454
Deferred revenue	231,247	38,229
Obligatory reserve fund	11,728	11,724
Bank loan (Note 3)	78,691	-
Accrued landfill closure and post-closure costs (Note 4)	<u>88,319</u>	<u>82,987</u>
	<u>601,843</u>	<u>272,394</u>
<b>Net financial assets</b>	<u>1,193,827</u>	<u>1,183,116</u>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	3,136,988	3,217,284
Prepaid expenses and inventory of supplies	<u>40,457</u>	<u>81,714</u>
	<u>3,177,445</u>	<u>3,298,998</u>
<b>Accumulated surplus (Note 5)</b>	<u>\$ 4,371,272</u>	<u>\$ 4,482,114</u>

On behalf of the Council:

 Mayor

 Treasurer

**Corporation of the Township of Plummer Additional  
Consolidated Statement of Operations**

<b>For the year ended December 31</b>	<b>Budget</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>			
Taxation (Note 6)	\$ 1,263,571	\$ 1,280,986	\$ 1,293,321
Government grants - provincial	888,630	718,427	603,256
Government grants - federal	1,244,442	92,905	148,029
Government grants - municipal	4,800	4,801	4,797
User fees and service charges	64,986	76,900	92,615
Interest and penalties on taxes	35,000	33,741	38,074
Investment income and other	3,172	3,778	1,819
	<hr/>	<hr/>	<hr/>
	3,504,601	2,211,538	2,181,911
<b>Expenses</b>			
General government	406,401	396,992	374,564
Protection services	211,046	209,622	206,257
Transportation services	1,171,928	1,145,448	955,273
Environmental services	108,401	104,747	97,318
Health services	221,267	211,975	208,400
Social and family services	170,340	170,340	169,736
Recreation and cultural services	86,028	71,604	83,711
Planning and development	16,160	11,652	13,663
	<hr/>	<hr/>	<hr/>
	2,391,571	2,322,380	2,108,922
<b>Annual surplus (deficit)</b>	<b>1,113,030</b>	<b>(110,842)</b>	<b>72,989</b>
<b>Accumulated surplus, beginning of year</b>	<b>4,569,358</b>	<b>4,482,114</b>	<b>4,409,125</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 5,682,388</b>	<b>\$ 4,371,272</b>	<b>\$ 4,482,114</b>

**Corporation of the Township of Plummer Additional  
Consolidated Statement of Change in Net Financial Assets**

<u>For the year ended December 31</u>	<u>Budget</u>	<u>2019</u>	<u>2018</u>
<b>Annual surplus (deficit)</b>	\$ 1,113,030	\$ (110,842)	\$ 72,989
Acquisition of tangible capital assets	(1,544,868)	(276,145)	(281,258)
Amortization of tangible capital assets	333,046	353,478	331,578
Proceeds on sale of tangible capital assets	-	2,963	-
Prepaid expenses and inventory of supplies	-	41,257	(9,596)
<b>Net change in net financial assets (debt)</b>	<b>(98,792)</b>	<b>10,711</b>	<b>113,713</b>
<b>Net financial assets, beginning of year</b>	<b>1,183,116</b>	<b>1,183,116</b>	<b>1,069,403</b>
<b>Net financial assets, end of year</b>	<b>\$ 1,084,324</b>	<b>\$ 1,193,827</b>	<b>\$ 1,183,116</b>

**Corporation of the Township of Plummer Additional  
Consolidated Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2019</b>	<b>2018</b>
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ (110,842)	\$ 72,989
Item not involving cash		
Amortization	<u>353,478</u>	<u>331,578</u>
Changes in non-cash operating balances		
Taxes receivable	242,636	404,567
Accounts receivable	29,292	31,224
Prepaid expenses and inventories of supplies	(82,472)	97,242
Accounts payable and accrued liabilities	41,257	(9,596)
Deferred revenue	52,404	33,549
Obligatory reserve fund	193,018	35,324
Liability for future closure and post-closure landfill care costs	4	43
	<u>5,332</u>	<u>5,120</u>
	<u>481,471</u>	<u>597,473</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(276,145)	(281,258)
Proceeds on sale of tangible capital assets	<u>2,963</u>	-
	<u>(273,182)</u>	<u>(281,258)</u>
<b>Financing activities</b>		
Bank loan proceeds	130,000	-
Repayment of bank loan	(51,309)	-
	<u>78,691</u>	-
<b>Net change in cash and cash equivalents</b>	<b>286,980</b>	<b>316,215</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,067,985</b>	<b>751,770</b>
<b>Cash and equivalents, end of year</b>	<b>\$ 1,354,965</b>	<b>\$ 1,067,985</b>

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## Corporation of the Township of Plummer Additional Consolidated Notes to Financial Statements

December 31, 2019

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### 1. Significant accounting policies

The consolidated financial statements of the municipality have been prepared in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

**Basis of Consolidation** These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures of all municipal organizations, committees and boards which are owned or controlled by the municipality, including the Plummer Additional Cemetery Board.

In addition, the following joint local boards/committees have been proportionately consolidated at the indicated percentages:

Central Algoma Health Centre	50%
Bruce Mines and Plummer Additional Union Public Library	50%
Tri-Neighbours Board of Management	22%

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

**Revenue Recognition**

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Sales of service and other revenue is recognized on an accrual basis.

**Government Transfers**

Government transfers are recognized as revenue in the 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.

**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 financial position of the trust funds are reported separately.

**Cash and  
Cash Equivalents**

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

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## Corporation of the Township of Plummer Additional Consolidated Notes to Financial Statements

**December 31, 2019**

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### 1. Significant accounting policies (continued)

<b>Tangible Capital Assets</b>	Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:
Land improvements	10 years
Buildings	10 to 50 years
Machinery and equipment	5 to 20 years
Vehicles	8 to 10 years
Furnishings and fixtures	5 to 40 years
Infrastructure	7 to 50 years
The municipality holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits association with such property cannot be made.	
<b>Leased Assets</b>	Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the municipality, and the obligation, including interest thereon, is retired over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.
<b>Retirement Benefits and Other Employee Benefit Plans</b>	The municipality provides pension benefits to specified employees through the Ontario Municipal Employees Retirement Fund OMERS, a multi-employer plan. The municipality's contributions due during the period are expensed as incurred. The municipality provides other post-employment benefits. These costs accumulate over the period of service provided by employees and are determined using management's best estimates.
<b>Collection of Taxes on Behalf of Other Taxation Authorities</b>	The municipality collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these other entities are not reflected in these consolidated financial statements.

**Corporation of the Township of Plummer Additional  
Consolidated Notes to Financial Statements**

**December 31, 2019**

**2. Taxes receivable**

	<b>2019</b>	<b>2018</b>
Current year levies	\$ 121,935	\$ 137,695
Previous years levies	73,259	85,995
Penalties and interest	21,179	21,975
Allowance for doubtful collection	<u>(35,000)</u>	<u>(35,000)</u>
	<b><u>\$ 181,373</u></b>	<b><u>\$ 210,665</u></b>

**3. Bank loan**

	<b>2019</b>	<b>2018</b>
Demand bank loan, repayable \$2,591 biweekly including interest at 3.44%, maturing February 2021	<u>\$ 78,691</u>	<u>\$ -</u>

Interest on the above loan amounted to \$3,102 (2018 - \$-).

Principal payments required on long term debt for the next two years are approximately:

<b>Year</b>	<b>Amount</b>
2020	\$ 65,740
2021	<u>12,951</u>
	<b><u>\$ 78,691</u></b>

**4. Solid waste closure and post-closure liabilities**

The Township, together with the Towns of Thessalon and Bruce Mines organized the Tri-Neighbours Board of Management to study, establish and operate a landfill site.

Landfill closure and post-closure requirements include final covering and landscaping of the landfill, storm water management, purchase of buffer lands, monitoring wells, fees, ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a fifty year period using the best information currently available to management. Future events may result in significant changes to total estimated expenditures, capacity used or total capacity and estimated liability. Any such changes would be applied prospectively as a change in estimate, when applicable.

Based on an engineering study, the landfill site is expected to reach capacity in 2048 after which the period for post-closure care costs is estimated to be 25 years. The estimated liability for landfill closure and post-closure costs is recognized as the landfill site's capacity is used and the reported liability reflects a discount rate of 3.51%.

The mandate of the existing Tri-Neighbours Board of Management to operate and close the site ceases upon closure, projected to be in 2048. The Township's estimated 22% share of total net present value of expenditures to close and maintain (monitor) the landfill site is approximately \$88,319 (2018 - \$82,987) as at December 31, 2019, based on the 41% (2018 - 39%) cumulative capacity used at that date.

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## Corporation of the Township of Plummer Additional Consolidated Notes to Financial Statements

December 31, 2019

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### 5. Accumulated surplus

#### Allocation of annual surplus

	<u>2019</u>	<u>2018</u>
Equity in tangible capital assets	\$ (158,986)	\$ (50,320)
Reserves and reserve funds	40,498	131,932
General surplus (deficit)	12,978	(3,503)
Unfunded landfill liabilities	<u>(5,332)</u>	<u>(5,120)</u>
	<u><u>\$ (110,842)</u></u>	<u><u>72,989</u></u>

#### Accumulated surplus, end of year

	<u>2019</u>	<u>2018</u>
Equity in tangible capital assets	\$ 3,058,298	\$ 3,217,284
Reserves and reserve funds	1,346,502	1,306,004
General surplus/deficit	54,791	41,813
Unfunded landfill liabilities	<u>(88,319)</u>	<u>(82,987)</u>
	<u><u>\$ 4,371,272</u></u>	<u><u>\$ 4,482,114</u></u>

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### 6. Taxation

	<u>2019</u>	<u>2018</u>
Residential and farmland	\$ 1,345,719	\$ 1,357,286
Commercial and industrial	101,684	102,011
Taxation from other governments	<u>13,409</u>	<u>13,589</u>
	<u><u>1,460,812</u></u>	<u><u>1,472,886</u></u>
Deduct: amounts received or receivable for school boards	<u>(179,826)</u>	<u>(179,565)</u>
	<u><u>\$ 1,280,986</u></u>	<u><u>\$ 1,293,321</u></u>

Property tax billings are prepared by the municipality based on an assessment roll prepared by the Municipal Property Assessment Corporation ("MPAC"), an agency of the Ontario government. All assessed property values in the municipality were reviewed and values established based on a common valuation date which was used by the municipality in computing the property tax billings. However, property tax revenue and taxes receivable of the municipality are subject to measurement uncertainty as ratepayers may appeal the values assessed.

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### 7. Funds held in trust

Funds held in trust by the municipality for cemetery care and maintenance amounting to \$89,463 (2018 - \$87,743) are not included in these financial statements but are reported upon separately.

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## Corporation of the Township of Plummer Additional Consolidated Notes to Financial Statements

December 31, 2019

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### **8. Employee benefits plans**

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of eligible members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The municipality's contributions to OMERS equal those made by the employees. During the year, the municipality contributed \$36,567 (2018 - \$29,815) to the plan. As this is a multi-employer pension plan, these contributions are the municipality's pension benefit expense. Contribution amounts are determined by OMERS which adjusts rates to reflect actuarial requirements. Any surplus or deficit of the pension plan is not included in the municipality's financial statements.

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### **9. Public Sector Salary Disclosure Act**

For 2019, no employees were paid salaries, as defined in the Public Sector Salary Disclosure Act, 1996 of \$100,000 or more.

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### **10. Segmented information**

The municipality is a diversified local government institution that provides a wide range of services to its citizens. For management reporting purposes, municipal operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

#### **General government**

The administration department oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of council.

#### **Protection**

Protection is comprised of the police, fire/emergency, by-law enforcement and building inspections departments. The mandate of the police is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The fire/emergency department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. The by-law enforcement and building inspection department ensures properties are in compliance with applicable legislation, by-laws, building standards and construction codes.

#### **Transportation**

The transportation department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, winter control and street lighting.

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## **Corporation of the Township of Plummer Additional Consolidated Notes to Financial Statements**

**December 31, 2019**

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### **10. Segmented information (continued)**

#### **Environmental**

The environmental department consists mainly of the solid waste disposal utility. The department provides garbage collection and waste minimization programs and facilities for solid waste disposal.

#### **Health**

Through the Algoma Health Unit, the municipality contributes to public health services and education and through the Algoma District Services Administration Board, to ambulance services. In addition, this department oversees the care and maintenance of municipal cemeteries.

#### **Social and family**

Through the Algoma District Services Administration Board, the municipality contributes to social assistance payments, child care services and social housing.

#### **Recreation and cultural**

The recreation and cultural department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as parks, arena, fitness and sports programs. It provides public services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement. The department also contributes towards the information needs of the municipality's citizens through the provision of library services.

#### **Planning**

The planning department provides a diverse bundle of services. It manages development for business interests, environmental concerns, heritage matters and neighbourhoods through planning and community development activities. It facilitates economic development by providing services for the approval of all land development plans.

For each reported segment, revenues and expenses include both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see Schedule 2 - Consolidated Schedule of Segment Disclosure.

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### **11. Commitment**

The municipality has commenced a \$1.225 million project to improve approximately five kilometres of Fifth Concession Road, funded 60% by the federal government, 33.33% by the province and the balance of 6.67% by the municipality. To December 31, 2009, approximately \$14,000 had been expended on the project.

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## Corporation of the Township of Plummer Additional Consolidated Notes to Financial Statements

December 31, 2019

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### 12. Budget

The Financial Plan (Budget) By-Law adopted by Council on July 19, 2019 was prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards); however, some local boards/committees continued to prepare their budgets on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. Their budget figures anticipated use of reserves and/or surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues. In addition, their budgets expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan adopted by Council on July 19, 2019 with adjustments as follows:

<b>Financial plan (budget) surplus (deficit) for the year</b>	<b>\$ 3,044</b>
<b>Add:</b>	
Capital expenditures	1,544,868
Unfunded liabilities	46,522
Loan principal repayments	49,229
<b>Less:</b>	
Net inter-fund transfers from reserves	(56,790)
Amortization	(333,046)
Bank loan transactions	(130,000)
Beginning surplus (deficit)	<u>(10,797)</u>
<b>Budget surplus per statement of operations</b>	<b><u>\$ 1,113,030</u></b>

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### 13. Uncertainties due to COVID-19

Subsequent to the year end, the impact of COVID-19 in Canada and the global economy increased significantly. If the impacts of COVID-19 continue, there could be further impact on the municipality and its major funding agencies, suppliers and other third party business associates that could impact the timing and amounts realized on the municipality's assets and future operations. At this time, the full impact of the COVID-19 outbreak on the municipality is not known.

**Corporation of the Township of Plummer Additional  
Schedule 1 - Consolidated Tangible Capital Assets**

**For the year ended December 31, 2019**

	<b>Land</b>	<b>Improvements</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Machinery and</b>	<b>Vehicles</b>	<b>Infrastructure</b>	<b>Construction in Progress</b>	<b>Total</b>
<b>Cost, beginning of year</b>	\$ 7,415	\$ 13,593	\$ 421,981	\$ 705,077	\$ 344,765	\$ 9,709,828	\$ 3,518	\$ 11,206,177	
<b>Additions</b>	-	11,337	-	15,455	238,888	-	13,491	279,171	
<b>Disposals</b>	-	-	-	-	(20,919)	-	(3,026)	(23,945)	
<b>Cost, end of year</b>	<b>7,415</b>	<b>24,930</b>	<b>421,981</b>	<b>720,532</b>	<b>562,734</b>	<b>9,709,828</b>	<b>13,983</b>	<b>11,461,403</b>	
 <b>Accumulated amortization, beginning of year</b>									- 7,988,893
<b>Amortization</b>	-	11,163	272,325	586,480	67,379	7,051,546	-	-	
<b>Disposals</b>	-	1,539	10,984	23,633	54,283	263,039	-	353,478	
 <b>Accumulated amortization, end of year</b>					(17,956)	-	-	-	(17,956)
 <b>Net carrying amount, end of year</b>	<b>\$ 7,415</b>	<b>\$ 12,228</b>	<b>\$ 138,672</b>	<b>\$ 110,419</b>	<b>\$ 459,028</b>	<b>\$ 2,395,243</b>	<b>\$ 13,983</b>	<b>\$ 3,136,988</b>	
									8,324,415

**Corporation of the Township of Plummer Additional  
Schedule 1 - Consolidated Tangible Capital Assets (continued)**

**For the year ended December 31, 2018 (comparative figures)**

		<b>Land</b>	<b>Improvements</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Machinery and Equipment</b>	<b>Vehicles</b>	<b>Infrastructure in Progress</b>	<b>Construction in Progress</b>	<b>Total</b>
<b>Cost, beginning of year</b>		\$ 7,415	\$ 13,593	\$ 396,444	\$ 686,548	\$ 310,869	\$ 9,371,840	\$ 382,216	\$ 11,168,925	
<b>Additions</b>		-	-	25,537	18,529	33,896	581,994	(378,698)	281,258	
<b>Disposals</b>		-	-	-	-	-	(244,006)	-	(244,006)	
<b>Cost, end of year</b>		<b>7,415</b>	<b>13,593</b>	<b>421,981</b>	<b>705,077</b>	<b>344,765</b>	<b>9,709,828</b>	<b>3,518</b>	<b>11,206,177</b>	
<b>Accumulated amortization, beginning of year</b>		-	10,193	260,920	563,148	34,598	7,032,462	-	-	7,901,321
<b>Amortization</b>		-	970	11,405	23,332	32,781	263,090	-	-	331,578
<b>Disposals</b>		-	-	-	-	-	(244,006)	-	-	(244,006)
<b>Accumulated amortization, end of year</b>		-	11,163	272,325	586,480	67,379	7,051,546	-	-	7,988,893
<b>Net carrying amount, end of year</b>		\$ 7,415	\$ 2,430	\$ 149,656	\$ 118,597	\$ 277,386	\$ 2,658,282	\$ 3,518	\$ 3,217,284	

**Corporation of the Township of Plummer Additional  
Schedule 2 - Consolidated Segment Disclosure**

**For the year ended December 31, 2019**

	General Government	Protection	Trans- portation	Environ- mental	Health	Family	Social and Cultural	Recreation and Cultural	Planning	Consolidated Total
<b>Revenue</b>										
Taxation	\$ 262,201	\$ 136,854	\$ 492,725	\$ 71,308	\$ 140,257	\$ 121,138	\$ 49,722	\$ 6,781	\$ 1,280,986	
Ontario grants	110,060	57,445	385,218	29,932	58,874	50,848	23,204	2,846	718,427	
Canada grants	3,360	-	89,545	-	-	-	-	-	92,905	
Other municipalities	-	3,598	-	-	-	-	-	1,203	-	4,801
User fees and service charges	2,316	15,461	8,872	12,439	14,862	-	12,260	10,690	76,900	
Interest and penalties on taxes	33,741	-	-	-	-	-	-	-	33,741	
Investment income and other	3,778	-	-	-	-	-	-	-	-	3,778
	<b>415,456</b>	<b>213,358</b>	<b>976,360</b>	<b>113,679</b>	<b>213,993</b>	<b>171,986</b>	<b>86,389</b>	<b>20,317</b>	<b>2,211,538</b>	
<b>Expenses</b>										
Salaries and benefits	267,463	153	302,199	2,955	3,663	-	31,349	-	607,782	
Materials and supplies	39,475	1,036	414,371	1,912	13,160	-	13,076	-	483,030	
Contracted services	71,138	208,433	69,037	99,591	16,195	-	11,771	11,652	487,817	
Rents and financial	17,243	-	22,730	-	5,460	-	4,629	-	50,062	
External transfers	-	-	337,111	289	169,372	170,340	500	-	340,212	
Amortization	1,673	-	-	-	4,125	-	10,279	-	353,477	
	<b>396,992</b>	<b>209,622</b>	<b>1,145,448</b>	<b>104,747</b>	<b>211,975</b>	<b>170,340</b>	<b>71,604</b>	<b>11,652</b>	<b>2,322,380</b>	
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 18,464</b>	<b>\$ 3,736</b>	<b>\$ (169,088)</b>	<b>\$ 8,932</b>	<b>\$ 2,018</b>	<b>\$ 1,646</b>	<b>\$ 14,785</b>	<b>\$ 8,665</b>	<b>\$ (110,842)</b>	

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

**Corporation of the Township of Plummer Additional  
Schedule 2 - Consolidated Segment Disclosure (continued)**

**For the year ended December 31, 2018 (comparative figures)**

	General Government	Protection	Transportation	Environmental	Health	Social and Family	Recreation and Cultural	Planning	Consolidated Total
<b>Revenue</b>									
Taxation	\$ 240,593	\$ 138,178	\$ 500,978	\$ 71,995	\$ 135,646	\$ 119,777	\$ 77,277	\$ 8,877	\$ 1,293,321
Ontario grants	100,213	57,554	267,746	29,988	56,500	49,890	37,668	3,697	603,256
Canada grants	2,093	-	128,026	-	-	-	17,910	-	148,029
Other municipalities	-	3,594	-	-	-	-	1,203	-	4,797
User fees and service charges	4,794	14,655	3,843	13,395	17,581	-	24,600	13,747	92,615
Interest and penalties on taxes	38,074	-	-	-	-	-	-	-	38,074
Investment income	1,819	-	-	-	-	-	-	-	1,819
	<b>387,586</b>	<b>213,981</b>	<b>900,593</b>	<b>115,378</b>	<b>209,727</b>	<b>169,667</b>	<b>158,658</b>	<b>26,321</b>	<b>2,181,911</b>
<b>Expenses</b>									
Salaries and benefits	256,543	140	265,573	3,646	9,771	-	30,073	-	565,746
Materials and supplies	39,680	827	271,884	980	6,665	-	24,835	-	344,871
Contracted services	57,016	205,290	82,599	92,692	15,266	-	13,126	13,663	479,652
Rents and financial	19,225	-	19,871	-	4,402	-	5,434	-	48,932
External transfers	-	-	-	-	168,407	169,736	-	-	338,143
Amortization	2,100	-	315,346	-	3,889	-	10,243	-	331,578
	<b>374,564</b>	<b>206,257</b>	<b>955,273</b>	<b>97,318</b>	<b>208,400</b>	<b>169,736</b>	<b>83,711</b>	<b>13,663</b>	<b>2,108,922</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 13,022</b>	<b>\$ 7,724</b>	<b>\$ (54,680)</b>	<b>\$ 18,060</b>	<b>\$ 1,327</b>	<b>\$ (69)</b>	<b>\$ 74,947</b>	<b>\$ 12,658</b>	<b>\$ 72,989</b>

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

**Corporation of the Township of  
of Plummer Additional  
*Trust Funds*  
Financial Statements  
For the year ended December 31, 2019**

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## Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of  
Corporation of the Township of Plummer Additional

### Opinion

We have audited the financial statements of the Trust Fund of Corporation of the Township of Plummer Additional (the Trust Fund), which comprise the statement of financial position as at December 31, 2019 and the statement of continuity for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2019, and the continuity thereof for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

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

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

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

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

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

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

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## Independent Auditor's Report (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Fund'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 Trust Fund'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 Trust Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario  
August 19, 2020

**Corporation of the Township of Plummer Additional  
Trust Funds  
Care and Maintenance Fund  
Statement of Financial Position**

<u>December 31</u>	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 2,063	\$ 3,793
Short term deposit, due April 1, 2020 with 0.5% interest	<u>87,450</u>	<u>84,000</u>
	<u><u>89,513</u></u>	<u><u>87,793</u></u>
<b>Liabilities</b>		
<b>Current</b>		
Due to operating fund	\$ 50	\$ 50
<b>Capital</b>	<u>89,463</u>	<u>87,743</u>
	<u><u>89,513</u></u>	<u><u>87,793</u></u>

**Statement of Continuity**

<u>For the year ended December 31</u>	<u>2019</u>	<u>2018</u>
<b>Balance, beginning of year</b>	<u>87,743</u>	<u>84,813</u>
<b>Revenue</b>		
Sale of plots	1,320	1,930
Monument surcharge	400	1,000
Interest earned	<u>420</u>	<u>420</u>
	<u><u>2,140</u></u>	<u><u>3,350</u></u>
<b>Expenditures</b>		
Interest transferred to general fund	<u>420</u>	<u>420</u>
<b>Balance, end of year</b>	<u>89,463</u>	<u>87,743</u>

**Note to Financial Statements**

<b>Basis of Accounting</b>	The financial statements of the Trust Fund of the Corporation of the Township of Plummer Additional are prepared in accordance with Canadian public sector accounting standards.
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