

**Township of Prince
Consolidated Financial Statements
For the year ended December 31, 2020**

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Consolidated Financial Statements
For the year ended December 31, 2020

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**Township of Prince
Management's Responsibility for Financial Reporting**

December 31, 2020

The accompanying consolidated financial statements of the Township of Prince are the responsibility of management and have been approved by the Mayor and CAO / Clerk-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 judgments. 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.

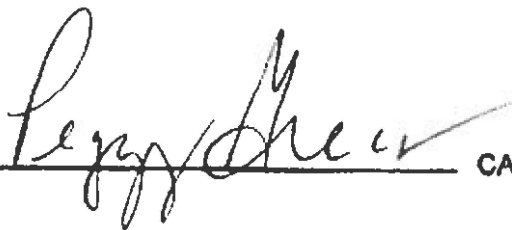
The municipality maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the municipality's assets are appropriately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



CAO / Clerk-Treasurer



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BDO Canada LLP
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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of the Township of Prince

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2020 and 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 the Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report (continued)

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

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

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


BDO Canada LLP

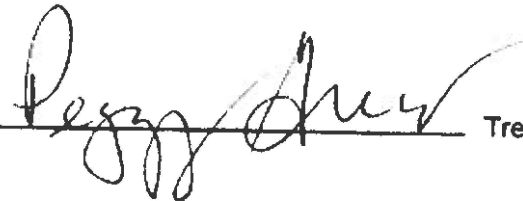
Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
September 14, 2021

**Township of Prince
Consolidated Statement of Financial Position**

December 31	2020	2019
Financial assets		
Cash and short term investments	\$ 1,949,983	\$ 2,040,551
Taxes receivable	178,383	145,603
Accounts receivable	175,431	55,906
	2,303,797	2,242,060
Liabilities		
Accounts payable and accrued liabilities	112,541	398,138
Deferred revenue (Note 5)	126,503	199,441
Long term debt (Note 4)	399,000	-
	638,044	597,579
Net financial assets	1,665,753	1,644,481
Non-financial assets		
Tangible capital assets (Schedule 1)	5,311,585	4,814,930
Prepaid expenses	13,488	22,714
	5,325,073	4,837,644
Accumulated surplus (Note 3)	\$ 6,990,826	\$ 6,482,125

On behalf of the Council:


_____ Mayor


_____ Treasurer

Township of Prince Consolidated Statement of Operations

For the year ended December 31	Budget	2020	2019
Revenue			
Taxation (Note 2)	\$ 1,398,230	\$ 1,409,799	\$ 1,310,891
Government grants - Provincial	333,195	870,567	949,279
Government grants - Federal	67,975	131,254	107,830
Other municipalities	-	4,000	8,000
User fees and service charges	29,700	92,440	49,326
Licences, permits and rents	32,950	32,415	29,461
Interest fines and penalties	25,000	30,233	25,958
Investment income	10,500	35,296	29,594
Other	9,000	34,529	21,307
	<u>1,906,550</u>	<u>2,640,533</u>	<u>2,531,646</u>
Expenses			
General government	436,827	407,378	348,508
Protection services	341,376	350,727	361,768
Transportation services	197,075	288,980	318,731
Environmental services	82,245	83,503	85,754
Health services	114,287	115,343	111,371
Social and family services	315,708	751,399	727,317
Recreation and cultural services	62,575	134,502	130,294
Planning and development	289,150	-	3,702
	<u>1,839,243</u>	<u>2,131,832</u>	<u>2,087,445</u>
Annual surplus	67,307	508,701	444,201
Accumulated surplus, beginning of year	6,482,125	6,482,125	6,037,924
Accumulated surplus, end of year	<u>\$ 6,549,432</u>	<u>\$ 6,990,826</u>	<u>\$ 6,482,125</u>

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

Township of Prince
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	Budget	2020	2019
Annual surplus	\$ 67,307	\$ 508,701	\$ 444,201
Acquisition of tangible capital assets	(928,695)	(742,713)	(349,340)
Amortization of tangible capital assets	-	220,710	180,122
Proceeds on sale of tangible capital assets	-	25,348	-
Prepaid expenses and inventory of supplies	-	9,226	4,876
Net change in net financial assets	(861,388)	21,272	279,859
Net financial assets, beginning of year	1,644,481	1,644,481	1,364,622
Net financial assets, end of year	\$ 783,093	\$ 1,665,753	\$ 1,644,481

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

Township of Prince
Consolidated Statement of Cash Flows

For the year ended December 31	2020	2019
Operating transactions		
Annual surplus	\$ 508,701	\$ 444,201
Amortization	220,710	180,122
	<u>729,411</u>	<u>624,323</u>
Changes in non-cash working capital balances		
Taxes receivable	(32,780)	34,219
Accounts receivable	(119,525)	175,519
Other current assets	9,226	4,876
Accounts payable and accrued liabilities	(285,597)	268,530
Deferred revenue	(72,938)	91,008
	<u>227,797</u>	<u>1,198,475</u>
Capital transactions		
Acquisition of tangible capital assets	(742,713)	(349,340)
Proceeds on sale of tangible capital assets	25,348	-
	<u>(717,365)</u>	<u>(349,340)</u>
Financing activities		
Proceeds of long term debt	420,000	-
Repayment of long term debt	(21,000)	-
	<u>399,000</u>	<u>-</u>
Net change in cash and cash equivalents	(90,568)	849,135
Cash and cash equivalents, beginning of year	2,040,551	1,191,416
Cash and cash equivalents, end of year	\$ 1,949,983	\$ 2,040,551

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

Township of Prince Notes to Consolidated Financial Statements

December 31, 2020

1. Summary of 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 Chartered Professional Accountants of Canada.

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 following:

Prince Township Library Board
Prince Township Parent/Child Resource Centre
Prince Township Museum Board

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

Tangible Capital Assets 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	20 to 25 years
Buildings	20 to 40 years
Machinery and equipment	3 to 20 years
Vehicles	4 to 20 years
Furnishings and fixtures	5 to 20 years
Infrastructure - bridges, culverts & streetlights	25 to 75 years
Infrastructure - road bases	40 years
Infrastructure - road paved surface	25 years

Collection of Taxes on Behalf of Other Taxation Authorities 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.

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.

Retirement Benefits and Other Employee Benefit Plans 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.

Township of Prince Consolidated Summary of Significant Accounting Policies

December 31, 2020

1. **Summary of significant accounting policies** *(continued)*

- Deferred Revenue** Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.
- 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.
- 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. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.
- Sales of service and other revenue is recognized on an accrual basis.
- Use of Estimates** The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Township of Prince
Notes to Consolidated Financial Statements

December 31, 2020

2. Taxation	<u>2020</u>	<u>2019</u>
Residential and multi-residential	\$ 1,606,904	\$ 1,497,683
Commercial and industrial	86,818	88,327
Taxation from other governments	<u>25,818</u>	<u>24,200</u>
	1,719,540	1,610,210
Deduct: amounts received or receivable for school boards	<u>(309,741)</u>	<u>(299,319)</u>
	\$ 1,409,799	\$ 1,310,891

3. Accumulated surplus	<u>2020</u>	<u>2019</u>
Reserves set aside for specific purposes by Council		
Working funds	\$ 1,084,502	\$ 705,003
Other	383,055	383,055
Museum restoration	11,791	11,791
Recreation, current purposes	31,397	31,397
Roads	388,392	375,617
Fire	74,000	74,000
Parks	<u>40,900</u>	<u>40,900</u>
	2,014,037	1,621,763
Reserve funds set aside for specific purposes by Council		
Fire	<u>26,325</u>	<u>26,325</u>
Total reserves	2,040,362	1,648,088
Equity in tangible capital assets	4,913,601	4,814,930
Library surplus	11,585	13,332
Museum surplus	5,962	6,796
Parent and Child Resource Centre surplus (deficit)	<u>19,316</u>	<u>(1,021)</u>
	\$ 6,990,826	\$ 6,482,125

Allocation of annual surplus

	<u>2020</u>	<u>2019</u>
Equity in tangible capital assets	\$ 98,671	\$ 169,220
Reserve and reserve funds	392,274	244,539
General surplus (deficit)	-	25,681
Library deficit	(1,747)	(10,505)
Museum surplus (deficit)	(834)	12,686
Parent and Child Resource Centre surplus (deficit)	<u>20,337</u>	<u>2,580</u>
	\$ 508,701	\$ 444,201

Township of Prince
Notes to Consolidated Financial Statements

December 31, 2020

4. Long term debt

Long term debt reported on the statement of financial position is comprised of the following:

	2020	2019
Ontario Infrastructure and Lands Corporation debenture due in 2030, with semi-annual principal payments of \$21,000 plus interest at a rate of 1.99%.	\$ 399,000	\$ -

Principal payments over the next five years as thereafter are due as follows:

2021	\$ 42,000
2022	42,000
2023	42,000
2024	42,000
2025	42,000
Thereafter	189,000
	\$ 399,000

5. Deferred revenue

	2020	2019
Other deferred revenue	\$ 30,781	\$ 71,214
Parks - Obligatory	71,409	75,345
Federal Gas Tax - Obligatory	24,313	52,882
	\$ 126,503	\$ 199,441

Deferred revenue continuity

	2020	2019
Balance, beginning of year:	\$ 199,441	\$ 108,433
Contributions	93,241	166,512
	292,682	274,945
Contributions used	166,179	75,504
Balance, end of year	\$ 126,503	\$ 199,441

Township of Prince
Notes Consolidated to Financial Statements

December 31, 2020

6. Post employment and retirement benefits

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.

Because OMERS is a multi-employer pension plan, the Township does not recognize any share of the pension plan deficit, as a joint responsibility of all Ontario municipalities and their employees. At December 31, 2020 OMERS reported an actuarial funding deficit of \$3,211 million. The municipality's contributions to OMERS equal those made by the employees. During the year, the municipality contributed \$38,642 (2019 - \$31,372) to the plan. As this is a multi-employer pension plan, these contributions are the township's pension benefit expense.

The municipality's employees accumulate unused sick days and may become entitled to a cash payment when they leave the municipality's employment. The cost of the benefits is determined using management's best estimate.

The liability for these accumulated days, amounted to \$- (2019 - \$-) at the end of the year.

7. Trust funds

Trust funds administered by the Township amounting to \$74,627 (2019 - \$71,867) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations".

8. Credit facility

The municipality has established a \$300,000 bank operating line of credit bearing interest at prime and secured by a general security agreement. As at December 31, 2020, a balance of NIL was outstanding on this credit facility.

9. Public Sector Salary Disclosure Act

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

Township of Prince Notes Consolidated to Financial Statements

December 31, 2020

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 Department. Departments 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 departments. 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 department 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.

Environmental

The environmental department consists of solid waste disposal. The department provides drinking water to ratepayers, collecting and treating wastewater, and providing 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. In addition, the municipality provides alternative residential services for seniors.

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, rink facilities, 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.

Township of Prince Notes Consolidated to Financial Statements

December 31, 2020

10. Segmented information (continued)

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.

11. Budget

The Financial Plan (Budget) By-Law adopted by Council on May 12, 2020 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of reserves and/or surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget 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 (debt) represent the Financial Plan adopted by Council on May 12, 2020 with adjustments as follows:

Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	928,695
Less:	
Net inter-fund transfers from reserves	(640,677)
Amortization	(220,711)
Budget surplus per statement of operations	<u>\$ 67,307</u>

12. Uncertainty due to COVID-19

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Township's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. The Township's ability to continue delivering non-essential services and employ related staff, will depend on legislative mandates from various levels of government. The Township will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens. During the year the Township received \$79,300 in funding to assist with COVID-19 costs.

**Township of Prince
Schedule 1 - Consolidated Tangible Capital Assets**

For the year ended December 31, 2020

	Land	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infrastructure	Construction in progress	Total
Cost, beginning of year	\$ 114,490	\$ 844,640	\$ 297,988	\$ 180,445	\$ 34,171	\$ 5,430,131	\$ 66,355	\$ 6,968,220
Additions	-	73,894	26,943	391,774	-	250,102	-	742,713
Disposals	-	-	-	(43,044)	-	-	-	(43,044)
Capitalized construction	-	-	-	-	-	63,440	(63,440)	-
Cost, end of year	114,490	918,534	324,931	529,175	34,171	5,743,673	2,915	7,667,889
Accumulated amortization, beginning of year	-	153,166	158,076	117,500	26,241	1,698,307	-	2,153,290
Amortization	-	24,690	34,019	40,179	-	121,822	-	220,710
Disposals	-	-	-	(17,696)	-	-	-	(17,696)
Accumulated amortization, end of year	-	177,856	192,095	139,983	26,241	1,820,129	-	2,356,304
Net carrying amount, end of year	\$ 114,490	\$ 740,678	\$ 132,836	\$ 389,192	\$ 7,930	\$ 3,923,544	\$ 2,915	\$ 5,311,585

The net book value of tangible capital assets not being amortized because they are under construction/development or have been removed from service is \$2,915 (2019 - \$66,355).

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.

Township of Prince
Schedule 1 - Consolidated Tangible Capital Assets (continued)

For the year ended December 31, 2019 (comparative figures)

	Land	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infrastructure	Construction in progress	Total
Cost, beginning of year	\$ 114,490	\$ 808,284	\$ 220,696	\$ 180,445	\$ 34,171	\$ 5,028,994	\$ 231,800	\$ 6,618,880
Additions	-	36,356	77,292	-	-	169,337	66,355	349,340
Capitalized construction	-	-	-	-	-	231,800	(231,800)	-
Cost, end of year	114,490	844,640	297,988	180,445	34,171	5,430,131	66,355	6,968,220
Accumulated amortization, beginning of year	-	130,323	126,957	100,570	26,241	1,589,077	-	1,973,168
Amortization	-	22,843	31,119	16,930	-	109,230	-	180,122
Accumulated amortization, end of year	-	153,166	158,076	117,500	26,241	1,698,307	-	2,153,290
Net carrying amount, end of year	\$ 114,490	\$ 691,474	\$ 139,912	\$ 62,945	\$ 7,930	\$ 3,731,824	\$ 66,355	\$ 4,814,930

The net book value of tangible capital assets not being amortized because they are under construction (or development or have been removed from service) is \$66,355.

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.

Township of Prince Schedule 2 - Consolidated Segment Disclosure

For the year ended December 31, 2020

	General Government	Protection	Trans- portation	Environ- mental	Health	Social and Family	Recreation and Cultural	Planning	Consolidated Total
Revenue									
Taxation	\$ 175,910	\$ 267,349	\$ 137,756	\$ 63,953	\$ 85,480	\$ 576,860	\$ 103,259	\$ (768)	\$ 1,409,799
Government grants - Provincial	280,814	35,879	18,487	8,583	11,472	498,708	15,927	697	870,567
Government grants - Federal	-	-	90,949	-	-	28,545	11,760	-	131,254
Other municipalities	-	-	-	-	-	-	4,000	-	4,000
User fees and service charges	68,870	6,608	50	100	2,750	6,178	5,734	2,150	92,440
Licences, permits and rents	10,285	-	-	-	-	-	22,130	-	32,415
Interest fines and penalties	30,233	-	-	-	-	-	-	-	30,233
Investment income	35,296	-	-	-	-	-	-	-	35,296
Other	34,529	-	-	-	-	-	-	-	34,529
	635,937	309,836	247,242	72,636	99,702	1,110,291	162,810	2,079	2,640,533
Expenses									
Salaries and benefits	226,736	61,745	42,805	4,163	3,246	333,428	27,431	-	699,554
Materials and supplies	157,347	57,250	106,160	60,890	921	135,446	67,213	-	585,227
Contracted services	20,821	187,359	6,339	13,907	-	-	-	-	228,426
Rents and financial expenses	-	4,213	-	-	-	-	-	-	4,213
External transfers and other	-	-	-	-	111,176	282,525	-	-	393,701
Amortization	2,474	40,160	133,676	4,543	-	-	39,858	-	220,711
	407,378	350,727	288,980	83,503	115,343	751,399	134,502	-	2,131,832
Net surplus (deficit)	\$ 228,559	\$ (40,891)	\$ (41,738)	\$ (10,867)	\$ (15,641)	\$ 358,892	\$ 28,308	\$ 2,079	\$ 508,701

Township of Prince
Schedule 2 - Consolidated Segment Disclosure (continued)

For the year ended December 31, 2019 (comparative figures)

	General Government	Protection	Transportation	Environmental	Health	Social and Family	Recreation and Cultural	Planning	Consolidated Total
Revenue									
Taxation	\$ -	\$ 319,414	\$ 63,941	\$ 63,132	\$ 96,836	\$ 650,801	\$ 116,587	\$ 180	\$ 1,310,891
Government grants - Provincial		51,071	10,224	10,094	15,483	482,843	22,184	29	949,279
Government grants - Federal		-	75,504	-	-	28,406	3,920	-	107,830
Other municipalities		-	-	-	-	-	8,000	-	8,000
User fees and service charges	20,770	7,962	-	220	-	8,570	5,754	1,050	49,326
Licences, permits and rents	16,231	-	-	-	5,000	-	13,230	-	29,461
Interest fines and penalties	25,958	-	-	-	-	-	-	-	25,958
Investment income	29,594	-	-	-	-	-	-	-	29,594
Other	21,307	-	-	-	-	-	-	-	21,307
	471,211	378,447	149,669	73,446	117,319	1,170,620	169,675	1,259	2,531,646
Expenses									
Salaries and benefits	206,263	60,053	68,747	3,785	4,474	315,272	26,430	-	685,024
Materials and supplies	121,527	73,167	123,135	58,443	397	127,699	64,044	805	569,217
Contracted services	20,718	213,421	6,217	18,983	-	-	-	2,897	262,236
External transfers and other	-	-	-	-	106,500	284,346	-	-	390,846
Amortization	-	15,127	120,632	4,543	-	-	39,820	-	180,122
	348,508	361,768	318,731	85,754	111,371	727,317	130,294	3,702	2,087,445
Net surplus (deficit)	\$ 122,703	\$ 16,679	\$ (169,062)	\$ (12,308)	\$ 5,948	\$ 443,303	\$ 39,381	\$ (2,443)	\$ 444,201

Township of Prince
Schedule 3 - Library Board

Statement of Operations

For the year ended December 31

	2020	2019
Revenue		
Grants - Province	\$ 2,069	\$ 2,069
Township contribution	4,000	4,000
Calendar	5,455	5,198
Other	279	556
	<u>11,803</u>	<u>11,823</u>
Expenses		
Amortization	2,312	2,376
Books	-	277
Fundraising	2,093	2,058
Materials and supplies	6,124	5,618
Professional fees	1,133	592
Honorarium	4,200	4,200
	<u>15,862</u>	<u>15,121</u>
Annual deficit	(4,059)	(3,298)
Accumulated surplus, beginning of year	20,361	23,659
Accumulated surplus, end of year	\$ 16,302	\$ 20,361

Statement of Financial Position

December 31

	2020	2019
Financial assets		
Cash	\$ 13,962	\$ 15,361
Prepaid expenses	870	650
	<u>14,832</u>	<u>16,011</u>
Liabilities		
Accounts payable	-	135
Due to township	3,247	2,544
	<u>3,247</u>	<u>2,679</u>
Net financial assets	11,585	13,332
Tangible capital assets	4,717	7,029
Accumulated surplus	\$ 16,302	\$ 20,361
Accumulated surplus represented by:		
Equity in tangible capital assets	\$ 4,717	\$ 7,029
Accumulated operating surplus	11,585	13,332
	<u>\$ 16,302</u>	<u>\$ 20,361</u>

**Township of Prince
Schedule 4 - Museum Board**

Statement of Operations

For the year ended December 31	2020	2019
Revenue		
Grants - Province	\$ -	\$ 1,474
Township contribution	-	4,000
	<u>-</u>	<u>5,474</u>
Expenses		
Bank charges	41	45
Materials and supplies	-	70
Professional fees	763	150
Wages and benefits	30	3,283
	<u>834</u>	<u>3,548</u>
Annual surplus (deficit)	(834)	1,926
Accumulated surplus, beginning of year	6,796	4,870
Accumulated surplus, end of year	\$ 5,962	\$ 6,796

Statement of Financial Position

December 31	2020	2019
Financial assets		
Cash	\$ 7,761	\$ 7,877
Due from Township of Prince	(454)	309
	<u>7,307</u>	<u>8,186</u>
Liabilities		
Accounts payable	1,345	1,390
Accumulated surplus	\$ 5,962	\$ 6,796
Accumulated surplus represented by:		
Reserves	\$ 11,898	\$ 11,898
Accumulated operating deficit	(5,936)	(5,102)
	<u>\$ 5,962</u>	<u>\$ 6,796</u>

Township of Prince
Schedule 5 - Parent/Child Resource Centre

Statement of Operations

For the year ended December 31	2020	2019
Revenue		
Grants - District Social Services Board	\$ 421,291	\$ 378,785
Grants - Government of Canada	28,545	28,406
Other	6,178	8,570
	<u>456,014</u>	<u>415,761</u>
Expenses		
Administration	6,872	7,580
Occupancy	9,003	10,650
Postage, stationary and office supplies	805	38
Program supplies	85,569	78,557
Wages and benefits	333,428	315,272
	<u>435,677</u>	<u>412,097</u>
Annual surplus	20,337	3,664
Accumulated surplus (deficit), beginning of year	(1,021)	(4,685)
Accumulated surplus, end of year	\$ 19,316	\$ (1,021)

Statement of Financial Position

December 31	2020	2019
Financial assets		
Cash	\$ 52,010	\$ 106,637
Accounts receivable	5,015	-
Due from Township of Plummer Additional	10,877	6,118
	<u>67,902</u>	<u>112,755</u>
Liabilities		
Accounts payable and accrued liabilities	17,725	49,913
Deferred revenue	30,861	63,863
	<u>48,586</u>	<u>113,776</u>
Accumulated surplus	\$ 19,316	\$ (1,021)

**Township of Prince
Trust Funds
Financial Statements
For the year ended December 31, 2020**



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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of the Township of Prince

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2020 and the results of its operations for the year then ended in accordance with the 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 Township 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 Township's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Township or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Independent Auditor's Report (continued)

- 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 Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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
September 14, 2021

**Township of Prince
Trust Funds
Cemetery Care and Maintenance
Statement of Financial Position**

December 31	2020	2019
Assets		
Cash	\$ 11,553	\$ 10,607
Term deposit	45,000	45,000
Due from township	18,074	16,260
	<u>\$ 74,627</u>	<u>\$ 71,867</u>
Fund Balance		
Capital	\$ 74,627	\$ 71,867

Statement of Continuity

For the year ended December 31	2020	2019
Revenue		
Monument charge	\$ 100	\$ 50
Interest earned	660	533
Care & maintenance	2,000	2,250
	<u>2,760</u>	<u>2,833</u>
Expenditures		
	<u>-</u>	<u>-</u>
Annual surplus	2,760	2,833
Balance, beginning of year	<u>71,867</u>	<u>69,034</u>
Balance, end of year	<u>\$ 74,627</u>	<u>\$ 71,867</u>

Notes to Financial Statements

December 31, 2020

1. Significant accounting policies

The financial statements of the Trust Funds of Township of Prince are prepared in accordance with Canadian public sector accounting standards.

2. Cash

Cash is represented by funds on deposit in chartered banks or investment portfolios.