

**The Corporation of the Township of St.
Joseph
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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**The Corporation of the Township of St. Joseph
Management's Responsibility for Financial Reporting**

December 31, 2019

The accompanying consolidated financial statements of The Corporation of the Township of St. Joseph 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 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 Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the municipality's consolidated financial statements.



Mayor



Treasurer



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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of St. Joseph

Opinion

We have audited the consolidated financial statements of The Corporation of the Township of St. Joseph (the Township), 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 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, 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 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.

Other Matters

We have not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the schedules on pages 20 through 23 of these financial statements.

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

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

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

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

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

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

Independent Auditor's Report (continued)

accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the 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
July 15, 2020

**The Corporation of the Township of St. Joseph
Consolidated Statement of Financial Position**

December 31

2019

2018

Financial assets

Cash and short term investments	\$ 3,567,388	\$ 3,492,713
Taxes receivable	275,138	227,683
Accounts receivable	303,208	101,384
Inventories held for sale	3,781	3,214
	4,149,515	3,824,994

Liabilities

Accounts payable and accrued liabilities	399,639	320,460
Deferred revenue (Note 6)	136,300	262,817
Accrued landfill closure and post closure costs (Note 3)	71,000	68,000
Post employment and retirement benefits (Note 4)	37,708	35,886
	644,647	687,163

Net financial assets

	3,504,868	3,137,831
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Non-financial assets

Tangible capital assets (Schedule 1)	9,430,228	8,822,468
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Accumulated surplus (Note 5)

	\$ 12,935,096	\$ 11,960,299
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On behalf of the Council:


_____ Mayor


_____ Treasurer

The Corporation of the Township of St. Joseph Consolidated Statement of Operations

For the year ended December 31	Budget	2019	2018
Revenue			
Taxation (Note 2)	\$ 2,006,613	\$ 2,005,925	\$ 1,929,434
Government grants - Provincial	1,769,411	1,782,024	1,024,080
Government grants - Federal	86,528	87,571	131,089
Other municipalities	57,840	40,496	45,968
User fees and service charges	497,693	499,587	501,968
Licences, permits and rents	21,600	26,540	22,008
Interest fines and penalties	27,000	43,192	37,756
Investment income	38,185	69,213	50,110
Other	13,400	4,886	(11,235)
	<u>4,518,270</u>	<u>4,559,434</u>	<u>3,731,178</u>
Expenses			
General government	468,681	456,557	480,480
Protection services	391,471	395,947	374,922
Transportation services	691,453	683,422	684,291
Environmental services	492,810	485,283	441,823
Health services	415,651	414,507	434,430
Social and family services	730,579	700,725	631,878
Recreation and cultural services	434,733	419,997	449,198
Planning and development	30,535	28,199	27,145
	<u>3,655,913</u>	<u>3,584,637</u>	<u>3,524,167</u>
Annual surplus	862,357	974,797	207,011
Accumulated surplus, beginning of year	11,960,299	11,960,299	11,753,288
Accumulated surplus, end of year	<u>\$ 12,822,656</u>	<u>\$ 12,935,096</u>	<u>\$ 11,960,299</u>

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

The Corporation of the Township of St. Joseph
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	Budget	2019	2018
Annual surplus	\$ 862,357	\$ 974,797	\$ 207,011
Acquisition of tangible capital assets	(1,146,336)	(1,149,269)	(544,694)
Amortization of tangible capital assets	490,164	492,138	478,115
Loss on disposal of tangible capital assets	-	14,871	29,606
Proceeds on sale of tangible capital assets	-	34,500	1,550
Net change in net financial assets	206,185	367,037	171,588
Net financial assets, beginning of year	3,137,831	3,137,831	2,966,243
Net financial assets, end of year	\$ 3,344,016	\$ 3,504,868	\$ 3,137,831

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

The Corporation of the Township of St. Joseph
Consolidated Statement of Cash Flows

For the year ended December 31	2019	2018
Operating transactions		
Annual surplus	\$ 974,797	\$ 207,011
Amortization	492,138	478,115
Loss on disposal of tangible capital assets	14,871	29,606
	<u>1,481,806</u>	<u>714,732</u>
Changes in non-cash working capital balances		
Taxes receivable	(47,455)	(23,356)
Accounts receivable	(201,824)	(61)
Inventories held for sale	(567)	(1,270)
Accounts payable and accrued liabilities	79,179	(46,523)
Deferred revenue	(126,517)	(11,627)
Accrued landfill costs	3,000	3,000
Accrued sick leave and retirement benefits	1,822	(2,814)
	<u>1,189,444</u>	<u>632,081</u>
Capital transactions		
Acquisition of tangible capital assets	(1,149,269)	(544,694)
Proceeds on sale of tangible capital assets	34,500	1,550
	<u>(1,114,769)</u>	<u>(543,144)</u>
Net change in cash and cash equivalents	74,675	88,937
Cash and cash equivalents, beginning of year	3,492,713	3,403,776
Cash and cash equivalents, end of year	\$ 3,567,388	\$ 3,492,713

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

The Corporation of the Township of St. Joseph

Notes to Consolidated Financial Statements

December 31, 2019

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:

- St. Joseph Township Public Library Board
- St. Joseph Township Cemetery Board
- St. Joseph Island Planning Board

In addition the St. Joseph Island Museum Board, a joint local board, has been proportionately consolidated at 55%.

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	25 to 50 years
Buildings	25 to 50 years
Machinery and equipment	5 to 30 years
Vehicles	10 to 25 years
Furnishings and fixtures	5 to 20 years
Infrastructure - roads, bridges, culverts & streetlights	25 to 50 years
Infrastructure - road single-surface treatment	7 years
Water treatment and distribution infrastructure	50 years
Wastewater collection and disposal infrastructure	25 to 50 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.

The Corporation of the Township of St. Joseph

Consolidated Summary of Significant Accounting Policies

December 31, 2019

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. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.
- Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.
- Sales of service and other revenue is recognized on an accrual basis as services are provided.
- Solid Waste Landfills** The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used. Future events may result in significant changes to the estimated total expenses, capacity used, or total capacity and the estimated liability and would be recognized prospectively, as a change in estimate, when applicable.
- 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.

The Corporation of the Township of St. Joseph Notes to Consolidated Financial Statements

December 31, 2019

2. Taxation	2019	2018
Residential and multi-residential	\$ 2,287,200	\$ 2,210,943
Commercial and industrial	63,251	69,907
Taxation from other governments	14,339	14,978
	2,364,790	2,295,828
Deduct: amounts received or receivable for school boards	(358,865)	(366,394)
	\$ 2,005,925	\$ 1,929,434

3. Landfill closure and post-closure costs

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

The present value of the municipality's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities. The reported liability reflects a discount rate of 4%.

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfill. The landfill is expected to reach its capacity in 93 years and the estimated remaining capacity is 232,000 cubic metres (2018 - 234,500) of the site's total capacity. The estimated length of time needed for post-closure care is 30 years.

It is estimated that the total net present value of the cost to close and maintain the landfill site is \$185,640 (2018 - \$178,500), of which \$71,000 (2018 - \$68,000) has been recognized to December 31, 2019 based on the 38.95% (2018 - 38.29%) cumulative capacity used at that date.

4. 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.

The municipality's contributions to OMERS equal those made by the employees. During the year, the municipality contributed \$46,796 (2018 - \$45,098) 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. At December 31, 2019 OMERS reported an actuarial funding deficit of \$3.4 billion (2018 - \$4.2 billion).

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment of 25% of their accumulated sick leave credits upon meeting specific retirement criteria. Employees forfeit their accrued sick leave credits upon termination of employment for any reason.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on retirement, amounted to \$37,708 (2018 - \$35,886) at the end of the year.

The Corporation of the Township of St. Joseph
Notes to Consolidated Financial Statements

December 31, 2019

5. Accumulated surplus

	2019	2018
Reserves set aside for specific purposes by Council		
Working funds	\$ 672,964	\$ 369,986
Administration building & office equipment	67,590	56,392
Election costs	2,500	-
Emergency planning	2,000	2,000
Fire	53,094	52,987
Road improvements	209,221	189,443
Sewage treatment operations	116,565	129,850
Waterworks operations	194,954	173,022
Future landfill closure and post-closure costs	451,182	455,515
CARHS committee	4,433	4,433
Healthcare	25,000	25,000
Heritage committee	-	296
Recreation	76,706	62,550
Recreation events	66,364	59,039
Special projects	194,901	194,901
Community improvement	5,000	5,000
War of 1812 committee	6,799	6,799
Planning	33,868	32,053
Museum operations	70,815	67,537
Museum capital	1,648	1,613
Library capital	17,212	15,664
Cemetery	500	500
Total reserves	2,273,316	1,904,580
Reserve funds set aside for specific purposes by Council		
Seniors amenity centre capital	34,783	34,260
Tangible capital asset replacement	1,183,400	1,184,185
Parking revenue	4,645	4,537
Total reserve funds	1,222,828	1,222,982
Total reserves	3,496,144	3,127,562
Equity in tangible capital assets	9,430,228	8,822,468
Boards surplus/deficit	8,724	10,269
	\$ 12,935,096	\$ 11,960,299

Allocation of annual surplus (deficit):

	2019	2018
Reserves and reserve funds	\$ 368,582	\$ 181,964
Equity in tangible capital assets	607,760	35,423
General surplus (deficit)	-	-
Boards surplus/deficit	(1,545)	(10,376)
	\$ 974,797	\$ 207,011

**The Corporation of the Township of St. Joseph
Notes Consolidated to Financial Statements**

December 31, 2019

6. Deferred revenue

	Opening balance	Contributions Received	Externally restricted investment income	Revenue Recognized	Ending balance
OCIF	\$ 195,330	\$ -	\$ -	\$ (195,330)	\$ -
Revitalization	13,985	-	-	(13,985)	-
Federal Gas Tax	-	76,506	-	-	76,506
Obligatory parks	29,075	1,250	606	-	30,931
Other	24,427	25,190	-	(20,754)	28,863
	\$ 262,817	\$ 102,946	\$ 606	\$ (230,069)	\$ 136,300

7. Trust funds

Trust funds administered by the Township amounting to \$51,884 (2018 - \$49,584) have not been included in the "Consolidated Balance Sheet" nor have their operations been included in the "Consolidated Statement of Operations".

8. Credit facility

The municipality has a \$400,000 bank operating line of credit bearing interest at prime and secured by a general security agreement. As at December 31, 2019, a balance of NIL was outstanding on this credit facility.

9. Public Sector Salary Disclosure Act

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

10. Uncertainty due to COVID-19

Subsequent to year end, the effect of COVID-19 in Canada and on the global economy increased significantly. There could be further impact on the Township, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Township's assets and future ability to deliver services and projects. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the full potential impact cannot be reasonably estimated at this time. The Township's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from the various levels of government. The Township will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves to ensure it is able to continue providing essential services to its citizens.

The Corporation of the Township of St. Joseph

Notes Consolidated to Financial Statements

December 31, 2019

11. 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 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 consist of three distinct utilities - water, wastewater and 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.

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.

The Corporation of the Township of St. Joseph

Notes Consolidated to Financial Statements

December 31, 2019

11. Segmented information (continued)

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.

The Corporation of the Township of St. Joseph
Schedule 1 - Consolidated Tangible Capital Assets

For the year ended December 31, 2019

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infrastructure	Construction in Progress	Total
Cost, beginning of year	\$ 612,448	\$ 1,355,234	\$ 4,469,102	\$ 848,206	\$ 472,841	\$ 20,617	\$ 8,871,983	\$ 77,615	\$ 16,728,046
Additions	-	54,491	391,307	207,063	237,870	-	258,538	-	1,149,269
Disposals	-	-	-	-	(156,715)	-	(33,742)	-	(190,457)
Capitalized construction	-	-	72,679	-	-	-	-	(72,679)	-
Cost, end of year	612,448	1,409,725	4,933,088	1,055,269	553,996	20,617	9,096,779	4,936	17,686,858
Accumulated amortization, beginning of year	-	1,069,249	1,985,876	241,690	175,117	20,617	4,413,029	-	7,905,578
Amortization	-	20,988	111,791	48,635	31,856	-	278,868	-	492,138
Disposals	-	-	-	-	(124,215)	-	(16,871)	-	(141,086)
Accumulated amortization, end of year	-	1,090,237	2,097,667	290,325	82,758	20,617	4,675,026	-	8,256,630
Net carrying amount, end of year	\$ 612,448	\$ 319,488	\$ 2,835,421	\$ 764,944	\$ 471,238	\$ -	\$ 4,421,753	\$ 4,936	\$ 9,430,228

The net book value of tangible capital assets not being amortized because they are under construction/development or have been removed from service is \$4,936 (2018 - \$77,615).

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.

The Corporation of the Township of St. Joseph
Schedule 1 - Consolidated Tangible Capital Assets (continued)

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

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infrastructure	Construction in Progress	Total
Cost, beginning of year	\$ 612,448	\$ 1,328,776	\$ 4,392,134	\$ 822,297	\$ 339,537	\$ 20,617	\$ 8,823,855	\$ 38,576	\$ 16,378,240
Additions	-	26,458	107,888	44,559	153,402	-	162,098	50,289	544,694
Disposals	-	-	(42,170)	(18,650)	(20,098)	-	(113,970)	-	(194,888)
Capitalized construction	-	-	11,250	-	-	-	-	(11,250)	-
Cost, end of year	<u>612,448</u>	<u>1,355,234</u>	<u>4,469,102</u>	<u>848,206</u>	<u>472,841</u>	<u>20,617</u>	<u>8,871,983</u>	<u>77,615</u>	<u>16,728,046</u>
Accumulated amortization, beginning of year	-	1,050,724	1,913,819	194,054	149,031	20,617	4,262,950	-	7,591,195
Amortization	-	18,525	92,298	57,059	46,184	-	264,049	-	478,115
Disposals	-	-	(20,241)	(9,423)	(20,098)	-	(113,970)	-	(163,732)
Accumulated amortization, end of year	<u>-</u>	<u>1,069,249</u>	<u>1,985,876</u>	<u>241,690</u>	<u>175,117</u>	<u>20,617</u>	<u>4,413,029</u>	<u>-</u>	<u>7,905,578</u>
Net carrying amount, end of year	<u>\$ 612,448</u>	<u>\$ 285,985</u>	<u>\$ 2,483,226</u>	<u>\$ 606,516</u>	<u>\$ 297,724</u>	<u>\$ -</u>	<u>\$ 4,458,954</u>	<u>\$ 77,615</u>	<u>\$ 8,822,468</u>

The Corporation of the Township of St. Joseph
Schedule 2 - Consolidated Segment Disclosure

For the year ended December 31, 2019

	General Government	Protection	Trans- portation	Environ- mental	Health	Social and Family	Recreation and Cultural	Planning	Consolidated Total
Revenue									
Taxation	\$ 271,428	\$ 267,842	\$ 507,938	\$ 174,725	\$ 308,168	\$ 296,893	\$ 164,221	\$ 14,710	\$ 2,005,925
Government grants - Provincial	260,781	106,358	398,252	468,261	105,113	351,715	86,526	5,018	1,782,024
Government grants - Federal	-	-	78,339	-	-	-	9,232	-	87,571
Other municipalities	-	9,970	-	14,785	-	7,801	1,846	6,094	40,496
User fees and service charges	21,144	5,625	9,864	233,984	950	42,585	181,465	3,970	499,587
Licences, permits and rents	1,955	24,585	-	-	-	-	-	-	26,540
Interest fines and penalties	43,192	-	-	-	-	-	-	-	43,192
Investment income	66,883	-	-	-	969	-	1,055	306	69,213
Other	19,757	2,000	-	(16,871)	-	-	-	-	4,886
	685,140	416,380	994,393	874,884	415,200	698,994	444,345	30,098	4,559,434
Expenses									
Salaries and benefits	310,564	45,783	271,508	40,230	23,990	178,335	114,028	1,940	986,378
Materials and supplies	61,416	74,689	161,188	98,531	2,820	108,086	220,885	9,251	736,866
Contracted services	82,494	253,398	15,065	158,154	8,986	16,220	35,926	8,188	578,431
Rents and financial expenses	-	-	6,004	10,230	-	-	2,536	-	18,770
External transfers and other	-	-	-	-	378,711	393,339	-	-	772,050
Amortization	2,083	22,077	229,657	178,138	-	4,745	46,622	8,820	492,142
	456,557	395,947	683,422	485,283	414,507	700,725	419,997	28,199	3,584,637
Net surplus (deficit)	\$ 228,583	\$ 20,433	\$ 310,971	\$ 389,601	\$ 693	\$ (1,731)	\$ 24,348	\$ 1,899	\$ 974,797

The Corporation of the Township of St. Joseph
Schedule 2 - Consolidated Segment Disclosure (continued)

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

	General Government	Protection	Trans- portation	Environ- mental	Health	Social and Family	Recreation and Cultural	Planning	Consolidated Total
Revenue									
Taxation	\$ 284,048	\$ 257,488	\$ 502,199	\$ 117,378	\$ 306,432	\$ 286,283	\$ 161,704	\$ 13,902	\$ 1,929,434
Government grants - Provincial	100,256	90,881	227,253	104,434	118,440	283,075	94,834	4,907	1,024,080
Government grants - Federal	-	-	76,506	44,375	-	-	10,208	-	131,089
Other municipalities	-	8,787	-	23,192	-	6,084	1,846	6,059	45,968
User fees and service charges	25,208	860	6,849	225,415	2,200	51,920	184,468	5,048	501,968
Licences, permits and rents	1,513	20,495	-	-	-	-	-	-	22,008
Interest fines and penalties	37,756	-	-	-	-	-	-	-	37,756
Investment income	48,142	-	-	-	965	-	754	249	50,110
Other	17,124	-	(3,710)	(21,778)	-	-	(2,871)	-	(11,235)
	<u>514,047</u>	<u>378,511</u>	<u>809,097</u>	<u>493,016</u>	<u>428,037</u>	<u>627,362</u>	<u>450,943</u>	<u>30,165</u>	<u>3,731,178</u>
Expenses									
Salaries and benefits	294,209	43,561	261,245	72,033	21,969	154,524	96,617	1,320	945,478
Materials and supplies	104,765	54,127	164,749	90,948	11,128	71,037	252,850	6,823	756,427
Contracted services	79,423	256,087	19,282	116,224	10,365	15,820	47,040	10,182	554,423
Rents and financial expenses	-	-	-	10,157	-	-	2,847	-	13,004
External transfers and other	-	-	-	-	390,968	385,752	-	-	776,720
Amortization	2,083	21,147	239,015	152,461	-	4,745	49,844	8,820	478,115
	<u>480,480</u>	<u>374,922</u>	<u>684,291</u>	<u>441,823</u>	<u>434,430</u>	<u>631,878</u>	<u>449,198</u>	<u>27,145</u>	<u>3,524,167</u>
Net surplus (deficit)	<u>\$ 33,567</u>	<u>\$ 3,589</u>	<u>\$ 124,806</u>	<u>\$ 51,193</u>	<u>\$ (6,393)</u>	<u>\$ (4,516)</u>	<u>\$ 1,745</u>	<u>\$ 3,020</u>	<u>\$ 207,011</u>

The Corporation of the Township of St. Joseph
Schedule 3 - St. Joseph Township Public Library Board
(Unaudited)

Statement of Operations

For the year ended December 31	Budget	2019	2018
Revenue			
Grants - Ontario	\$ 7,718	\$ 6,967	\$ 6,038
- municipal	34,383	34,383	33,435
Fees and miscellaneous	4,990	4,934	3,946
Interest	-	61	23
Donations	1,500	-	-
	48,591	46,345	43,442
Expense			
Administration and miscellaneous	4,000	2,503	2,967
Audio and video cassettes	1,210	931	532
Books	6,214	6,273	5,812
Building - utilities, internet and telephone	5,750	5,997	5,790
- maintenance and supplies	1,500	1,030	7,280
Wages and benefits	29,917	28,384	26,045
	48,591	45,118	48,426
Annual surplus (deficit)	-	1,227	(4,984)
Accumulated surplus, beginning of year	12,530	12,530	17,514
Accumulated surplus, end of year	\$ 12,530	\$ 13,757	\$ 12,530

Statement of Financial Position

December 31	2019	2018
Financial assets		
Cash	\$ 14,171	\$ 12,065
Accounts receivable	470	465
	14,641	12,530
Liabilities		
Accounts payable	884	-
Accumulated surplus	\$ 13,757	\$ 12,530
Accumulated surplus is comprised of:		
Reserve for building fund	\$ 17,212	\$ 15,664
General deficit	(3,455)	(3,134)
	\$ 13,757	\$ 12,530

The Corporation of the Township of St. Joseph
Schedule 4 - St. Joseph Island Museum Board
(Unaudited)

Statement of Operations

For the year ended December 31	Budget	2019	2018
Revenue			
Grants - Canada	\$ 8,542	\$ 8,286	\$ 6,469
- municipal	27,863	27,863	27,522
Donations, admissions and miscellaneous	6,400	9,589	12,685
Memberships	1,600	1,500	1,522
Interest	-	1,857	1,355
	<u>44,405</u>	<u>49,095</u>	<u>49,553</u>
Expense			
Bank charges	250	216	177
Insurance	2,000	2,013	1,946
Professional fees	1,300	1,251	1,246
Repairs and maintenance	4,600	2,286	2,367
Supplies and office costs	7,120	5,810	8,068
Utilities	3,300	2,464	2,675
Wages and benefits	25,835	27,983	24,826
	<u>44,405</u>	<u>42,023</u>	<u>41,305</u>
Annual surplus	-	7,072	8,248
Accumulated surplus, beginning of year	128,247	128,247	119,999
Accumulated surplus, end of year	\$ 128,247	\$ 135,319	\$ 128,247

Statement of Financial Position

December 31	2019	2018
Financial assets		
Cash	\$ 135,208	\$ 128,256
Accounts receivable	462	274
	<u>135,670</u>	<u>128,530</u>
Liabilities		
Accounts payable	351	283
Accumulated surplus	\$ 135,319	\$ 128,247

Accumulated surplus is comprised of:

December 31	Building Fund 2019	Working Fund 2019
Balance, beginning of year	\$ 125,255	\$ 2,992
Operating surplus	-	85
Interest	1,857	-
Donations	5,130	-
	<u>\$ 132,242</u>	<u>\$ 3,077</u>

Participating Municipalities

The municipalities participating in the Board are:
Township of St. Joseph Township of Jocelyn
Township of Hilton Village of Hilton Beach

The Corporation of the Township of St. Joseph
Schedule 5 - St. Joseph Township Cemetery Board
(Unaudited)

Statement of Operations

For the year ended December 31	Budget	2019	2018
Revenue			
Sale of plots	\$ 1,500	\$ 850	\$ 2,050
Donation	150	100	150
Grant - municipal	6,500	6,500	6,500
Interest earned	-	969	965
	<u>8,150</u>	<u>8,419</u>	<u>9,665</u>
Expense			
Administrative expense	300	430	404
Bank charges	-	8	8
Caretaking expense	9,000	7,773	6,831
Maintenance and supplies	100	964	2,651
Professional fees	350	367	356
Training	400	102	-
	<u>10,150</u>	<u>9,644</u>	<u>10,250</u>
Annual deficit	(2,000)	(1,225)	(585)
Accumulated surplus, beginning of year	13,902	13,902	14,487
Accumulated surplus, end of year	<u>\$ 11,902</u>	<u>\$ 12,677</u>	<u>\$ 13,902</u>

Statement of Financial Position

December 31	2019	2018
Financial assets		
Cash	\$ 13,646	\$ 13,902
Liabilities		
Accounts payable	<u>969</u>	-
Accumulated surplus	<u>\$ 12,677</u>	<u>\$ 13,902</u>
Accumulated surplus is comprised of:		
Reserve for working funds	\$ 500	\$ 500
General surplus	<u>12,177</u>	<u>13,402</u>
	<u>\$ 12,677</u>	<u>\$ 13,902</u>

The Corporation of the Township of St. Joseph
Schedule 6 - St. Joseph Island Planning Board
(Unaudited)

Statement of Operations

For the year ended December 31	Budget	2019	2018
Revenue			
Grants - municipal	\$ 13,120	\$ 13,120	\$ 13,150
Application fees	3,300	3,400	3,600
Interest	300	306	249
	<u>16,720</u>	<u>16,826</u>	<u>16,999</u>
Expense			
Administration services	6,410	6,410	6,411
Conferences and training	1,000	631	-
General board expenses	2,800	2,969	2,658
Honoraria	2,050	1,940	1,320
Insurance	2,600	2,701	2,536
Professional fees	360	360	356
	<u>15,220</u>	<u>15,011</u>	<u>13,281</u>
Annual surplus	1,500	1,815	3,718
Accumulated surplus, beginning of year	32,053	32,053	28,335
Accumulated surplus, end of year	<u>\$ 33,553</u>	<u>\$ 33,868</u>	<u>\$ 32,053</u>

Statement of Financial Position

December 31	2019	2018
Financial assets		
Cash	\$ 33,301	\$ 31,548
Accounts receivable	567	505
	<u>33,868</u>	<u>32,053</u>
Liabilities		
	<u>-</u>	<u>-</u>
Accumulated surplus (reserve for working funds)	<u>\$ 33,868</u>	<u>\$ 32,053</u>

Note: The accumulated surplus which represents the reserve for working funds is being held for mandatory review and updating of the official plan.

Participating Municipalities

The municipalities participating in the Board are:
Township of St. Joseph
Township of Jocelyn
Township of Hilton
Village of Hilton Beach

**The Corporation of the Township of St.
Joseph
Trust Funds
Financial Statements
For the year ended December 31, 2019**



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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of St. Joseph

Opinion

We have audited the financial statements of the The Corporation of the Township of St. Joseph Trust Funds (the Trust Funds), which comprise the statement of financial position as at December 31, 2019, 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 Trust Funds as at December 31, 2019, and the continuity thereof, in accordance with the basis of accounting as described in Note 1.

Basis of 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 Funds 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.

Emphasis of Matter - Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist the Trust Funds to comply with the reporting requirements of the Bereavement Authority of Ontario. As a result, the financial statements may not be suitable for another purpose.

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 the basis of accounting as described in Note 1, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Funds'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 Funds'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 Funds 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
July 15, 2020

**The Corporation of the Township of St. Joseph
Trust Funds
Cemetery Care and Maintenance
Statement of Financial Position**

<u>December 31</u>	<u>2019</u>	<u>2018</u>
Assets		
Cash	\$ 51,884	\$ 49,584
Fund Balances		
Capital	\$ 51,884	\$ 49,584

Statement of Continuity

<u>For the year ended December 31</u>	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 49,584	\$ 47,734
Revenue		
Sale of plots	1,250	1,750
Monument charge and donations	1,050	100
	<u>2,300</u>	<u>1,850</u>
Balance, end of year	\$ 51,884	\$ 49,584

The Corporation of the Township of St. Joseph
Trust Funds
Cemetery Care and Maintenance
Notes to Financial Statements

December 31, 2019

1. Significant accounting policies

Management's responsibility

The financial statements of The Corporation of the Township of St. Joseph Trust Fund are the representation of management and have been prepared in accordance with accrual based accounting principles. Precise determination of some assets and liabilities may be dependent upon future events, estimates and approximations. These estimates and approximations have been based upon the available information, using careful judgement and review.

Accrual basis of accounting

Sources of revenues and expenses are reported on the accrual basis of accounting.

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

2. Nature of Trust Fund

The Cemetery Care and Maintenance Trust Fund was established in accordance with the Cemeteries Act for the care and maintenance of certain cemetery grounds.

3. Cash

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