

**CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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**Township of Leeds and
The Thousand Islands
Consolidated
Financial Statements
December 31, 2019**

Township of Leeds and The Thousand Islands
Five Year Financial Review
(not subject to audit)

December 31	2019	2018	2017	2016	2015
Population (Statistics Canada)	9,465	9,465	9,465	9,465	9,277
Number of Households (MPAC)	5,950	5,936	5,936	5,925	5,902
Taxable Assessment (000's)	\$	\$	\$	\$	\$
Residential and farm	2,058,800	1,994,116	1,928,470	1,892,117	1,829,038
Commercial and industrial	175,817	172,218	168,220	79,936	75,932
Total	2,234,617	2,166,334	2,096,690	1,972,053	1,904,970
Commercial, industrial as % of assessment	7.88%	8.64%	8.02%	4.05%	4.00%
Rates of Taxation					
Residential					
▸ for general municipal purposes	0.392731	0.380140	0.375478	0.365537	0.361239
▸ for counties' purposes	0.370869	0.370869	0.370869	0.363579	0.367257
▸ for school board purposes	0.161000	0.170000	0.179000	0.188000	0.195000
Total	0.924600	0.921009	0.925347	0.917116	0.923496
Multi-Residential (total)	0.924600	0.921009	0.925347	0.917116	0.923496
Commercial (total)	2.304251	2.303465	2.313550	2.290350	2.325005
Industrial (total)	2.673185	2.700378	2.741933	2.820721	2.849597
Tax Arrears ▸ percentage of current levy (<10%)**	11.59%	11.24%	11.05%	20.14%	11.11%
Taxes Transferred (000's)					
▸ Counties	8,502	8,300	8,056	7,827	7,598
▸ School Boards	5,486	5,605	5,680	5,920	4,608
Revenues (000's)	\$	\$	\$	\$	\$
▸ Taxation and payments in lieu	9,123	8,509	7,914	7,620	7,240
▸ Government transfers	2,042	1,306	1,232	1,302	1,160
▸ Fees and service charges	1,301	1,179	1,314	1,025	1,035
▸ Other	2,530	2,430	2,498	2,466	2,529
▸ Revenues related to capital assets	869	428	538	414	912
Total	15,865	13,852	13,496	12,827	12,876
Expenses (000's)					
▸ Operations	13,717	13,392	12,512	12,112	11,140
▸ Amortization	2,081	1,924	1,829	1,687	1,638
Net Financial Assets (Net Debt)					
▸ % of Operating Revenue (>(20%))**	43.05%	40.35%	46.06%	50.30%	53.70%
▸ % of Taxation and User Charges (>(50%))**	61.93%	55.91%	64.67%	72.22%	77.64%

** Represents the Provincial Low Risk Indicator.
(Note: All dollar amounts are in thousands of dollars.)

Township of Leeds and The Thousand Islands
Five Year Financial Review
(not subject to audit)

December 31	2019	2018	2017	2016	2015
	\$	\$	\$	\$	\$
Long Term Debt					
▸ Net long term debt (000's)	635	694	753	812	871
▸ Long term debt charges (000's)	76	84	79	81	95
▸ Total annual repayment limit (000's)	2,929	2,850	2,711	2,587	2,329
▸ Long term debt per household	107	117	127	137	148
▸ Debt charges (000's)					
▸ tax supported	76	84	79	81	95
<hr/>					
Municipal Equity (000's)					
▸ Surplus and Reserves	7,152	6,172	6,812	7,805	8,071
▸ Invested in capital assets	36,481	35,313	34,213	32,237	30,829
▸ Asset consumption ratio	48.23%	47.49%	46.83%	46.64%	46.47%
▸ Reserves as % of operating expenses (>20%) **	50.37%	45.63%	53.71%	63.89%	71.61%
<hr/>					
Financial Indicators					
▸ Sustainability					
▸ financial assets to liabilities	2.39	2.18	2.09	2.28	2.38
▸ financial assets to liabilities excluding long term debt	2.83	2.65	2.50	2.84	3.03
▸ long term debt to tangible capital assets	1.98%	2.27%	2.58%	2.89%	3.06%
▸ capital reserves to accumulated amortization	14.03%	14.96%	17.09%	20.15%	20.97%
▸ Flexibility					
▸ Debt charges to total operating revenue (<5%) **	0.70%	0.83%	0.98%	0.87%	1.19%
▸ Total operating revenue to taxable assessment	0.67%	0.62%	0.62%	0.63%	0.62%
▸ Working capital to operating expenses (>10%) **	52.43%	44.56%	52.67%	59.50%	66.58%
▸ Vulnerability					
▸ Operating government transfers ▸ to operating revenue	13.62%	9.73%	9.51%	10.49%	9.66%
▸ Total government transfers ▸ to total revenues	17.86%	12.14%	12.13%	12.99%	12.28%



Township of
**Leeds and the
Thousand Islands**

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the Township of Leeds and The Thousand Islands are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 2 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

The consolidated financial statements have been audited by Allan and Partners LLP, independent external auditors appointed by the Township. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.

Stephen Donachey,
Chief Administrative Officer

Kate Tindal, CPA, CGA
Director of Finance



INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Leeds and The Thousand Islands:

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of Leeds and The Thousand Islands (the 'Entity'), which comprise:

- the consolidated statement of financial position as at December 31, 2019;
- the consolidated statement of operations and municipal equity for the year then ended;
- the consolidated statement of changes in net financial assets for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- and the notes to the consolidated financial statements, including a summary of significant accounting policies;

(Hereinafter referred to as the 'financial statements').

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2019, and its consolidated results of operations, its consolidated changes 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 '**Auditors' Responsibilities for the Audit of the Financial Statements**' section of our auditor's report.

We are independent of the Entity 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 the 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 Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 of our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



Allan and Partners LLP
Chartered Professional Accountants
Licensed Public Accountants

Perth, Ontario
June 1, 2020.

**Township of Leeds and The Thousand Islands
Consolidated Statement of Financial Position**

December 31	2019	(Note 19) 2018
	\$	\$
ASSETS		
Financial Assets		
Cash and short term deposits	7,080,749	5,936,556
Taxes receivable (net of allowance \$5,500) (note 4)	2,672,963	2,513,391
Accounts receivable	857,578	1,009,025
Long term receivables (note 5)	245,381	285,057
Loan receivable (note 6)	255,000	267,000
	11,111,671	10,011,029
LIABILITIES		
Financial Liabilities		
Accounts payable and accrued liabilities	1,421,669	1,148,930
Accrued landfill closure and post closure (note 12)	1,710,362	1,620,362
Prepaid property taxes	276,331	291,988
Other current liabilities	289,237	410,311
Deferred revenues (note 7)	223,078	305,413
Long term liabilities (note 8)	736,210	816,933
	4,656,887	4,593,937
NET FINANCIAL ASSETS	6,454,784	5,417,092
NON-FINANCIAL ASSETS		
Tangible capital assets (note 16) (Schedule 2)	37,115,573	36,007,435
Inventories	62,155	60,480
	37,177,728	36,067,915
Contingent Liabilities (note 14)		
MUNICIPAL EQUITY (note 9)	43,632,512	41,485,007

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

**Township of Leeds and The Thousand Islands
Consolidated Statement of Operations**

For the year ended December 31	(Note 18) Budget	2019	(Note 19) 2018
	\$	\$	\$
REVENUES			
Taxation ▶ residential	7,734,659	7,949,893	7,368,836
▶ commercial	979,530	979,284	953,752
▶ local improvement	20,000	28,865	28,865
▶ other governments	146,600	164,577	158,022
User charges ▶ general government	70,670	63,328	74,310
▶ transportation services	10,500	112,325	19,615
▶ protection to persons and property	107,400	133,761	110,032
▶ environment	771,260	776,799	746,322
▶ parks and recreation	118,600	142,069	138,374
▶ planning and zoning	48,000	73,002	90,231
Government grants	1,258,449	2,041,678	1,306,223
Licenses and permits	288,426	463,113	395,797
Investment income	74,000	175,105	133,121
Penalties and interest on taxes	325,000	353,610	333,242
Other	1,543,000	1,538,384	1,567,632
TOTAL REVENUES	13,496,094	14,995,793	13,424,374
EXPENSES			
General government	2,026,435	2,216,401	2,203,422
Protection to persons and property	3,736,466	3,845,628	3,744,928
Transportation services	3,657,318	3,732,486	3,625,342
Environmental services	1,323,315	1,588,984	1,321,619
Health services	44,586	43,881	41,669
Recreation and cultural services	1,652,557	1,646,871	1,670,948
Planning and development	625,766	642,558	783,702
TOTAL EXPENSES	13,066,443	13,716,809	13,391,630
NET REVENUES FROM OPERATIONS	429,651	1,278,984	32,744
OTHER			
Grants and transfers related to capital			
Deferred revenues earned (note 7)	100,000	106,269	---
Government transfers	7,200,000	755,252	375,345
Other	300,000	7,000	---
Gain on sale of tangible capital assets	---	---	52,393
	7,600,000	868,521	427,738
ANNUAL SURPLUS	8,029,651	2,147,505	460,482
MUNICIPAL EQUITY, BEGINNING OF YEAR	41,485,007	41,485,007	41,024,525
MUNICIPAL EQUITY, END OF YEAR	49,514,658	43,632,512	41,485,007

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

**Township of Leeds and The Thousand Islands
Consolidated Statement of Changes in Net Financial Assets**

For the year ended December 31	(Note 18) Budget	2019	2018
	\$	\$	\$
ANNUAL SURPLUS	8,029,651	2,147,505	460,482
Amortization of tangible capital assets	1,990,955	2,080,688	1,923,613
Acquisition of tangible capital assets	(15,422,100)	(3,188,826)	(3,048,713)
Disposal of tangible capital assets	---	---	83,553
(Acquisition) disposal of supplies inventories	---	(1,675)	30,596
	(13,431,145)	(1,109,813)	(1,010,951)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(5,401,494)	1,037,692	(550,469)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	5,417,092	5,417,092	5,967,561
NET FINANCIAL ASSETS, END OF YEAR	15,598	6,454,784	5,417,092

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

Township of Leeds and The Thousand Islands Consolidated Statement of Cash Flows

For the year ended December 31	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Annual surplus for the year	2,147,505	460,482
Amortization	2,080,688	1,923,613
	4,228,193	2,384,095
Net Change in Non-Cash Working Capital Balances		
Taxes receivable	(159,572)	(126,757)
Accounts receivable	151,447	323,411
Long term receivables	39,676	25,245
Loan receivable	12,000	12,000
Accounts payable and accrued liabilities	272,739	(873,256)
Accrued landfill closure and post closure	90,000	(30,661)
Prepaid property taxes	(15,657)	(48,363)
Other current liabilities	(121,074)	110,664
Deferred revenues	(82,335)	51,304
Inventories	(1,675)	30,596
	185,549	(525,817)
Working Capital from Operations	4,413,742	1,858,278
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(3,188,826)	(3,048,713)
Disposal of tangible capital assets	---	83,553
Net investment in tangible capital assets	(3,188,826)	(2,965,160)
FINANCING ACTIVITIES		
Debt principal repayments	(80,723)	(84,316)
Net decrease in cash from financing activities	(80,723)	(84,316)
NET INCREASE (DECREASE) IN CASH	1,144,193	(1,191,198)
CASH, BEGINNING OF YEAR	5,936,556	7,127,754
CASH, END OF YEAR	7,080,749	5,936,556

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

Township of Leeds and The Thousand Islands

Notes to the Consolidated Financial Statements

December 31, 2019

1. Status of the Township of Leeds and The Thousand Islands

The Township of Leeds and The Thousand Islands (the 'Township') was incorporated January 1, 2001 by amalgamating three historic municipalities, the Front of Leeds and Lansdowne, the Rear of Leeds and Lansdowne and the Front of Escott and assumed its responsibilities under the authority of the Provincial Secretary. The Township operates as a lower tier government in the United Counties of Leeds and Grenville, in the Province of Ontario, Canada and provides municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations.

2. Significant Accounting Policies

The consolidated financial statements of the Corporation of the Township of Leeds and The Thousand Islands are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Township are as follows:

Reporting Entity

- (I) The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenses, reserves, reserve funds and changes in investments in tangible capital assets of the Township. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned or controlled by the Township. Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated. These consolidated financial statements include:

- Public Library Board

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these consolidated financial statements.

Basis of Accounting

- (I) The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.
- (ii) Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.
- (iii) Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported separately on the Trust Funds Statement of Financial Activities and Financial Position.

Township of Leeds and The Thousand Islands

Notes to the Consolidated Financial Statements

December 31, 2019

2. Significant Accounting Policies / continued

Taxation and Related Revenues

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation ('MPAC'). Tax rates are established by Township Council, incorporating amounts to be raised for local services, amounts to be raised on behalf of the United Counties of Leeds and Grenville for regional services, and amounts the Township is required to collect on behalf of the Province of Ontario in respect of education taxes. Taxation revenues are recorded at the time tax billings are issued. Adjustments to taxation revenue can occur during the year related to the issuance of supplementary tax billings and/or assessment appeals. These adjustments are recorded when the amount of the adjustments can be quantified. The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period in which the interest and penalties are applied.

Tangible Capital Assets

Tangible capital assets are recorded at cost, which include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Land	
Buildings	50 years
Vehicles and Equipment	7 to 20 years
Signs	20 years
Linear Assets	
Roads	40 years
Bridges	75 years
Streetlights	40 years
Storm drains	40 years
Water and sewer	40 years
Construction in Progress	

Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Township has a capitalization threshold of \$5,000 for vehicles and equipment and \$20,000 for linear assets and buildings so that individual capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operations reasons.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other asset as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the consolidated statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

Township of Leeds and The Thousand Islands

Notes to the Consolidated Financial Statements

December 31, 2019

2. Significant Accounting Policies / continued

Tangible Capital Assets / continued

When conditions indicate that a tangible capital asset no longer contributes to the Township's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the consolidated statement of operations.

Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Inventories and Prepaid Expenses

Inventories and prepaid expenses held for consumption are recorded at the lower of cost or replacement cost.

Pension and Employee Benefits

The Township accounts for its participation in the Ontario Municipal Employees Retirement System ('OMERS'), a multi-employer public sector pension fund, as a defined benefit plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

Employee benefits include vacation entitlement and sick leave benefits. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits are accrued in accordance with the Township's policy.

Cash and Cash Equivalents

The Township considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

Government Transfers

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Deferred Revenues

The Township defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. Government transfers of gas taxes, development charges collected under the *Development Charges Act, 1997*, and recreational land collected under the Planning Act are reported as deferred revenues in the Consolidated Statement of Financial Position. These amounts will be recognized as revenues in the fiscal year the services are performed.

Township of Leeds and The Thousand Islands

Notes to the Consolidated Financial Statements

December 31, 2019

2. Significant Accounting Policies / continued

Deferred Revenues / continued

The Township receives restricted contributions under the authority of Federal and Provincial legislation and Township by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Township has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

Investments

Short-term and long-term investments are recorded at cost plus accrual interest. If the market value of investments become lower than cost and the decline in value is considered to be other than temporary, the investments are written down to market value.

Investment income earned on surplus current funds, capital funds, reserves and reserve funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on development charges and parkland obligatory reserve funds is added to the fund balance and forms part of respective deferred revenue balances.

Landfill Closure and Post-Closure Liabilities

The Township accrues landfill closure and post-closure care requirements that have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a twenty-five year period using the best information available to management.

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.

Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- (a) an environmental standard exists;
- (b) contamination exceeds the environmental standard;
- (c) the Township:
 - (i) is directly responsible; or
 - (ii) accepts responsibility
- (d) it is expected that future economic benefit will be given up; and
- (e) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of cost of pos-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

Township of Leeds and The Thousand Islands Notes to the Consolidated Financial Statements

December 31, 2019

2. Significant Accounting Policies / continued

Financial Instruments

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. The Township has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Township classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables and accounts payable and accrued liabilities as other financial liabilities.

Measurement Uncertainty

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the consolidated financial statements in the period in which they become known.

3. Operations of the School Boards and United Counties of Leeds and Grenville

During 2019, the Township collected and made property tax transfers including payments in lieu of property taxes, to the United Counties of Leeds and Grenville and School Boards as follows:

	School Boards \$	United Counties \$
Property taxes	5,463,644	8,366,984
Taxation from other governments	22,561	135,391
Amounts requisitioned and paid	<u>5,486,205</u>	<u>8,502,375</u>

Township of Leeds and The Thousand Islands Notes to the Consolidated Financial Statements

December 31, 2019

4. Taxes Receivable

At the year end, taxes receivable consist of the following:

	2019 \$	2018 \$
Current year taxes	1,485,510	1,458,252
Prior year taxes	958,296	830,812
Penalties	234,657	229,827
Allowance for doubtful accounts	(5,500)	(5,500)
	2,672,963	2,513,391

5. Long Term Receivables

Long term receivables are comprised of the tile drainage loans and municipal drainage loans.

Tile drainage loans are due from individuals who have received loans under the Ontario Tile Loan Program. The loans are repayable over ten years with fixed annual repayments which are collected through the property tax billing. The Province advances the funds to the Municipality. The corresponding debt obligation is included in long term debt.

Municipal drain loans due from landowners to recover the capital costs for the Smith Bolger drain. The funds are repayable over 10 years with fixed annual repayments.

Principal payments are due as follows:

	Tile Loans	Municipal Drain Loans	Total
	\$	\$	\$
2020	16,157	18,025	34,182
2021	12,887	18,025	30,912
2022	13,660	18,025	31,685
2023	13,379	18,025	31,404
2024	14,182	18,025	32,207
2025 and thereafter	30,923	54,068	84,991
	101,188	144,193	245,381

6. Loan Receivable

The loan receivable is a loan agreement with St. Lawrence District Medical Centre. The funds were used for the expansion of the existing medical centre owned by St. Lawrence Medical Centre. The initial term of the loan is five years, followed by four more automatically renewing five year terms.

Township of Leeds and The Thousand Islands Notes to the Consolidated Financial Statements

December 31, 2019

6. Loan Receivable / continued

The loan is interest free for the 25 year term of the loan. Monthly principal payments of \$1,000 commenced April 1, 2016. The borrower has the privilege of prepaying all or part of the principal sum outstanding at any time without notice or bonus.

The loan is secured by a mortgage on the property.

7. Deferred Revenues

A requirement of the public sector accounting standards of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized below:

	Federal Gas Tax	Development Charges	Parkland	Total
	\$	\$	\$	\$
January 1, 2019	40,035	6,362	259,016	305,413
Contributions from developers	---	---	18,183	18,183
Interest	---	56	5,695	5,751
Transfer for tangible capital assets	(36,056)	---	(70,213)	(106,269)
December 31, 2019	3,979	6,418	212,681	223,078

8. Long Term Liabilities

- (a) The balance of long term liabilities reported on the "Consolidated Statement of Financial Position" is comprised of the following:

	2019	2018
	\$	\$
Fixed rate bank loan with the Bank of Montreal (2.55%), with monthly principal payments of \$4,922.65, due September 2030.	635,022	694,094
Instalment debentures with the Province of Ontario under the Ontario Tile Loan Program. The responsibility for payment of principal and interest charges for tile drainage assistance loans has been assumed by individuals. At the end of the year, the outstanding principal of this liability is:	101,188	122,839
Net long term liabilities at the end of the year	736,210	816,933

**Township of Leeds and The Thousand Islands
Notes to the Consolidated Financial Statements**

December 31, 2019

8. Long Term Liabilities / continued

(b) Principal payments fall due as follows:

	Individuals	General Revenues	Total
	\$	\$	\$
2020	16,157	59,072	75,229
2021	12,887	59,072	71,959
2022	13,660	59,072	72,732
2023	13,379	59,072	72,451
2024	14,182	59,072	73,254
2025 and thereafter	30,923	339,662	370,585
	101,188	635,022	736,210

© Interest expense on long term liabilities in 2019 amounted to \$24,394 (2018 \$27,391).

(d) These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

9. Municipal Equity

Municipal equity consists of:

	2019	2018
	\$	\$
Investment in tangible capital assets		
Tangible capital assets	37,115,573	36,007,435
Long term liabilities	(635,022)	(694,094)
	36,480,551	35,313,341
Unrestricted surplus	242,747	60,480
Reserves (Schedule 1)	6,909,214	6,111,186
Total Municipal Equity	43,632,512	41,485,007

Township of Leeds and The Thousand Islands

Notes to the Consolidated Financial Statements

December 31, 2019

10. Pension Contributions

The Township makes contributions to the Ontario Municipal Employees Retirement System (“OMERS”), which is a multi-employer plan, on behalf of all permanent 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. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Township does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements.

The amount contributed to OMERS was \$265,741 (2018 \$249,139) for current services and is included as an expenditure on the Consolidated Statement of Operations classified under the appropriate functional expenditure. Contributions by employees were a similar amount.

11. Trust Funds

Trust funds administered by the Township amounting to \$169,962 (2018 \$146,742) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township’s financial position or financial activities.

12. Landfill Closure and Post Closure Liability

The Environment Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liabilities is based on estimates and assumptions with respect to events extending over a twenty-five year period using the best information available to management. 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.

Township of Leeds and The Thousand Islands Notes to the Consolidated Financial Statements

December 31, 2019

12. Landfill Closure and Post Closure Liability / continued

The Township currently has three active landfill sites Lansdowne, Briar Hill and Escott and three inactive sites, Leeds, LaRue Mills and Reynolds Road. Closure, post closure and remaining life for the sites are summarized as follows:

	Remaining Life	Closure Costs	Post Closure Costs / Year
		\$	\$
Lansdowne	7 years	934,245	19,000
Briar Hill	33 years	509,094	17,700
Escott	2 years	131,208	16,500
Leeds	closed	Nil	17,400
LaRue Mills	closed	Nil	17,000
Reynolds Road	closed	Nil	17,000

For the active sites, the anticipated closure plan involves placing and compacting a minimum of 600mm of low permeability material over the waste, placing a 150mm layer of soil capable of maintaining vegetative growth, seeding the covered waste mound and improving drainage at each site. Monitoring costs are the annual costs to monitor the groundwater and surface water at each site and report the findings to the Ministry of Environment. Post monitoring costs are typically required for at least 20 years following landfill closure.

The landfill closure costs are accrued on an annual basis based on the estimated life of the landfill sites.

The estimated total landfill closure and post closure care expenses are calculated to be approximately \$3.0 million. Included in the liabilities on the Consolidated Statement of Financial Position at December 31, 2019 is \$1,710,362 (2018 \$1,620,362).

13. Contractual Obligations

The Township has negotiated a five year contract with Ontario Clean Water Agency to manage the water treatment plant and the sewage treatment plant. The contract base is \$244,600 and provides an annual adjustment for inflation, hydro costs and insurance. The contract does not include capital expenses or unexpected expenses in the nature of addressing equipment failure. The initial term of the contract expires December 2020 and then may be renewed for successive two year terms.

Included in the consolidated statement of financial activities are the costs paid to the Ontario Clean Water Agency of \$258,807 (2018 \$253,236).

The Township receives policing services from the Ontario Provincial Police. Annual charges are based on an estimate determined at the beginning of the year and reconciled to actual costs in the following year. The fees paid in the current year and adjusted for the previous year's reconciliation were \$1,819,551 (2018 \$1,802,775).

The Township has entered into a three year agreement with Zycom for the provision of information technology services. The contract has been extended to June 30, 2020. The cost for 2019 was \$45,890 (2018 \$43,062).

Township of Leeds and The Thousand Islands

Notes to the Consolidated Financial Statements

December 31, 2019

13. Contractual Obligations / continued

The Township has entered into a four year recreation cost sharing agreement with the Town of Gananoque. The agreement sets out the annual fee for each of the four years and expires December 2021. The amount paid under the contract in 2019 was \$121,885 (2018 \$112,820).

14. Contingent Liabilities

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2019, management believes that the Township has valid defences and appropriate insurance coverages in place.

In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Township's financial position.

15. Risk Management

In the normal course of operations, the Township is exposed to a variety of financial risks which are actively managed by the Township.

The Township's financial instruments consist of cash, investments, accounts receivable and accounts payable and accrued liabilities. The fair values of cash, accounts receivable, investments and accounts payable and accrued liabilities approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Township's exposure to and management of risk has not changed materially from December 31, 2018.

Credit Risk

Credit risk arises from the possibility that the entities to which the Township provides services to may experience difficulty and be unable to fulfill their obligations. The Township is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Township does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

Interest Rate Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Township is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Township's operating results.

Liquidity Risk

Liquidity risk is the risk that the Township will not be able to meet its obligations as they fall due. The Township requires working capital to meet day-to-day operating activities. Management expects that the Township's cash flows from operating activities will be sufficient to meet these requirements.

**Township of Leeds and The Thousand Islands
Notes to the Consolidated Financial Statements**

December 31, 2019

16. Tangible Capital Assets

	2019	2018
	\$	\$
Land	296,777	296,777
Buildings	9,976,581	9,869,620
Vehicles and Equipment	4,769,170	4,749,140
Signs	96,331	48,797
Linear Assets		
Roads	15,785,088	16,159,062
Bridges	2,639,417	2,103,986
Streetlights	112,994	47,904
Storm drains	2,215,715	2,275,684
Water and sewer	1,132,357	344,715
Construction in progress		
Buildings	42,381	75,575
Public works projects	48,762	36,175
	37,115,573	36,007,435

For additional information, see Schedule 2 ▶ Tangible Capital Assets.

17. Segmented Information

The Township is a diversified municipal government that provides a wide range of services to its citizens. The services are provided by departments and their activities are reported in the consolidated statement of operations.

Departments have been separately disclosed in the segmented information, along with the service they provide, are set out in the schedule below.

For each reported segment, expenses represent 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 note 2.

Township of Leeds and The Thousand Islands Notes to the Consolidated Financial Statements

December 31, 2019

17. Segmented Information / continued

2019	Salaries, Wages & Employee Benefits	Debenture Debt Interest	Materials & Services	External Transfers	Amortization	Total
	\$	\$	\$	\$	\$	\$
General Government						
Governance	138,161	---	35,613	---	---	173,774
Corporate Management & Program Support	921,011	7,310	639,128	324,730	150,448	2,042,627
Protection to Persons & Property						
Fire	487,131	9,690	501,781	33,257	312,065	1,343,924
Police	---	---	1,819,551	---	---	1,819,551
Conservation Authority	---	---	---	157,144	---	157,144
Protective Inspection	456,880	---	68,129	---	---	525,009
Transportation						
Roadways	926,821	---	1,042,679	---	1,340,463	3,309,963
Winter Control	214,325	---	180,609	---	---	394,934
Street Lighting	---	---	15,787	---	11,802	27,589
Environmental						
Water and Sewer Services	---	---	429,470	---	24,075	453,545
Rural storm drains	---	---	---	---	71,331	71,331
Waste Services	266,717	---	637,970	---	---	904,687
Recycling	---	---	159,421	---	---	159,421
Health Services						
Hospitals	---	---	36,802	---	---	36,802
Cemeteries	2,869	---	4,210	---	---	7,079
Recreation & Cultural Services						
Parks	188,734	---	76,010	---	---	264,744
Recreation Facilities & Programs	299,016	---	354,776	128,268	129,990	912,050
Libraries	319,511	---	113,588	---	36,697	469,796
Cultural Services	---	---	281	---	---	281
Planning & Development						
Planning & Zoning	338,406	---	175,492	---	3,817	517,715
Municipal Drains	---	7,394	117,449	---	---	124,843
2019	4,559,582	24,394	6,408,746	643,399	2,080,688	13,716,809

Township of Leeds and The Thousand Islands Notes to the Consolidated Financial Statements

December 31, 2019

17. Segmented Information / continued

2018	Salaries, Wages & Employee Benefits	Debenture Debt Interest	Materials & Services	External Transfers	Amortization	Total
	\$	\$	\$	\$	\$	\$
General Government						
Governance	121,550	---	85,953	---	---	207,503
Corporate Management & Program Support	1,063,203	7,958	459,562	325,774	139,422	1,995,919
Protection to Persons & Property						
Fire	455,572	10,548	522,264	32,771	287,214	1,308,369
Police	---	---	1,802,775	---	---	1,802,775
Conservation Authority	---	---	---	148,387	---	148,387
Protective Inspection	424,177	---	52,821	8,399	---	485,397
Transportation						
Roadways	955,254	---	948,701	12,358	1,251,364	3,167,677
Winter Control	190,661	---	225,794	---	---	416,455
Street Lighting	---	---	33,253	---	7,957	41,210
Environmental						
Water and Sewer Services	---	---	356,954	---	13,929	370,883
Rural storm drains	---	---	---	---	71,189	71,189
Waste Services	272,044	---	475,923	---	4,603	752,570
Recycling	---	---	126,977	---	---	126,977
Health Services						
Hospitals	---	---	32,148	---	---	32,148
Cemeteries	4,996	---	4,525	---	---	9,521
Recreation & Cultural Services						
Parks	167,054	---	134,256	---	---	301,310
Recreation Facilities & Programs	247,419	---	525,872	---	107,213	880,504
Libraries	329,513	---	117,391	---	36,905	483,809
Cultural Services	---	---	5,325	---	---	5,325
Planning & Development						
Planning & Zoning	344,740	---	276,556	---	3,817	625,113
Municipal Drains	---	8,885	149,704	---	---	158,589
2018	4,576,183	27,391	6,336,754	527,689	1,923,613	13,391,630

Township of Leeds and The Thousand Islands Notes to the Consolidated Financial Statements

December 31, 2019

18. Budget Figures

The 2019 budget amounts that were approved were not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget included capital items such as infrastructure replacements and estimated costs for constructed assets, as program expenses, but the actual expenses have been removed in the Consolidated Statement of Operations. The revenues attributable to these items continue to be included in the Consolidated Statement of Operations, resulting in a significant variance. The following analysis is provided to assist readers in their understanding of differences between the approved budget and the audited consolidated financial statements.

	Approved Budget	Actual
	\$	\$
Total Revenues	13,496,094	14,995,793
Total Expenses	13,066,443	13,716,809
Net Revenues	429,651	1,278,984
Amortization	1,990,955	2,080,688
Adjusted Net Revenues	2,420,606	3,359,672
Capital Revenues	7,600,000	868,521
Funds Available	10,020,606	4,228,193
Capital Expenses	(15,422,100)	(3,188,826)
Acquisition of Inventory	---	60,480
Principal Repayments	(89,390)	(80,723)
Net Long Term Debt Acquired	3,810,000	---
Decrease in Long Term Receivables	---	21,651
Decrease in Operating Surplus	(1,680,884)	1,040,775
Allocated as follows:		
Surplus	---	242,747
Net Transfers to reserves	(1,680,884)	798,028
	(1,680,884)	1,040,775

19. Comparative Figures

Some reclassification of prior year's figures was necessary in order to conform to the year's presentation.

**Township of Leeds and The Thousand Islands
Schedule 1 ▶ Continuity of Reserves and Reserve Funds**

For the year ended December 31	(Note 18) Budget	2019	2018
	\$	\$	\$
Net Transfers From / (To) Other Funds			
Transfers from operations	2,511,616	3,357,835	2,535,847
Transfers to capital acquisitions	(4,192,500)	(2,559,807)	(3,145,387)
Total Net Transfers	(1,680,884)	798,028	(609,540)
Reserves and Reserve Fund Balances, Change in Year	(1,680,884)	798,028	(609,540)
Reserves and Reserve Fund Balances, Beginning of Year	6,111,186	6,111,186	6,720,726
Reserves and Reserve Fund Balances, End of Year	4,430,302	6,909,214	6,111,186

Composition of Reserves and Reserve Funds

For the year ended December 31	2019	2018
	\$	\$
Reserves set aside for specific purposes by Council:		
▶ for working capital	1,361,375	745,424
▶ for election purposes	37,009	20,759
▶ for contingencies	102,850	87,850
▶ for tax rate stabilization	42,500	---
▶ for heritage	133,742	123,742
▶ for community improvement	118,407	80,907
▶ for grants	23,401	31,806
▶ for greening	26,865	74,865
▶ for building inspection department	210,699	73,454
▶ for library	129,625	---
	2,186,473	1,238,807
For Capital Purposes:		
▶ for infrastructure	2,145,198	1,620,436
▶ for equipment	456,079	304,606
▶ for facilities	419,864	186,693
▶ for fire equipment	450,312	448,846
▶ for recreation and culture	416,162	494,705
▶ for library	84,742	412,372
▶ for water system	750,384	1,404,721
	4,722,741	4,872,379
Total Reserves and Reserve Funds	6,909,214	6,111,186

The accompany notes are an integral part of these consolidated financial statements.

**Township of Leeds and The Thousand Islands
Schedule 2 ▶ 2019 Tangible Capital Assets**

Asset Class	Cost 01/01/19	Additions	(Disposals)	Cost 31/12/19
	\$	\$	\$	\$
Land	296,777	---	---	296,777
Buildings	13,611,332	405,990	---	14,017,322
Vehicles and Equipment	8,514,642	683,795	(73,745)	9,124,692
Signs	95,702	53,661	---	149,363
Linear Assets				
Roads	38,082,346	585,401	---	38,667,747
Bridges	3,006,663	580,615	---	3,587,278
Streetlights	79,573	76,892	---	156,465
Storm drains	2,847,557	11,362	---	2,858,919
Water and sewer	1,932,226	811,717	---	2,743,943
Construction in Progress				
Buildings	75,575	(33,194)	---	42,381
Public works project	36,175	12,587	---	48,762
	68,578,568	3,188,826	(73,745)	71,693,649

Asset Class	Accumulated Amortization 01/01/19	Amortization	(Disposals)	Accumulated Amortization 31/12/19	Net Book Value 31/12/19
	\$	\$	\$	\$	\$
Land	---	---	---	---	296,777
Buildings	3,741,712	299,029	---	4,040,741	9,976,581
Vehicles and Equipment	3,765,502	663,765	(73,745)	4,355,522	4,769,170
Signs	46,905	6,127	---	53,032	96,331
Linear Assets					
Roads	21,923,284	959,375	---	22,882,659	15,785,088
Bridges	902,677	45,184	---	947,861	2,639,417
Streetlights	31,669	11,802	---	43,471	112,994
Storm drains	571,873	71,331	---	643,204	2,215,715
Water and sewer	1,587,511	24,075	---	1,611,586	1,132,357
Construction in Progress					
Buildings	---	---	---	---	42,381
Public works project	---	---	---	---	48,762
	32,571,133	2,080,688	(73,745)	34,578,076	37,115,573

The accompany notes are an integral part of these consolidated financial statements.

**Township of Leeds and The Thousand Islands
Schedule 2 ▶ 2018 Tangible Capital Assets**

Asset Class	Cost 01/01/18	Additions	(Disposals)	Cost 31/12/18
	\$	\$	\$	\$
Land	296,777	---	---	296,777
Buildings	13,012,649	598,683	---	13,611,332
Vehicles and Equipment	7,657,182	1,086,956	(229,496)	8,514,642
Signs	95,702	---	---	95,702
Linear Assets				
Roads	36,831,022	1,251,324	---	38,082,346
Bridges	3,006,663	---	---	3,006,663
Streetlights	79,573	---	---	79,573
Storm drains	2,847,557	---	---	2,847,557
Water and sewer	1,932,226	---	---	1,932,226
Construction in Progress				
Bridges	---	75,575	---	75,575
Water and sewer	---	36,175	---	36,175
	65,759,351	3,048,713	(229,496)	68,578,568

Asset Class	Accumulated Amortization 01/01/18	Amortization	(Disposals)	Accumulated Amortization 31/12/18	Net Book Value 31/12/18
	\$	\$	\$	\$	\$
Land	---	---	---	---	296,777
Buildings	3,463,517	278,195	---	3,741,712	9,869,620
Vehicles and Equipment	3,312,155	599,290	(145,943)	3,765,502	4,749,140
Signs	42,120	4,785	---	46,905	48,797
Linear Assets					
Roads	21,015,553	907,731	---	21,923,284	16,159,062
Bridges	862,140	40,537	---	902,677	2,103,986
Streetlights	23,712	7,957	---	31,669	47,904
Storm drains	500,684	71,189	---	571,873	2,275,684
Water and sewer	1,573,582	13,929	---	1,587,511	344,715
Construction in Progress					
Bridges	---	---	---	---	75,575
Water and sewer	---	---	---	---	36,175
	30,793,463	1,923,613	(145,943)	32,571,133	36,007,435

The accompany notes are an integral part of these consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Leeds and The Thousand Islands:

Opinion

We have audited the statement of financial statements of the trust fund of the Corporation of the Township of Leeds and The Thousand Islands (the 'Entity'), which comprise:

- the statement of financial position as at December 31, 2019;
- the statement of financial activities for the year then ended;
- and the notes to the financial statements, including a summary of significant accounting policies;

(Hereinafter referred to as the 'financial statements').

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its financial activities for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the '**Auditors' Responsibilities for the Audit of the Financial Statements**' section of our auditor's report.

We are independent of the Entity 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 the 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 Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 of our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.



Allan and Partners LLP
Chartered Professional Accountants
Licensed Public Accountants

Perth, Ontario
June 1, 2020.

**Township of Leeds and The Thousand Islands
Trust Funds
Statement of Financial Position**

December 31	Subdivision Security	Pine Hill Cemetery	2019	2018
	\$	\$	\$	\$
ASSETS				
Cash				
Accounts receivable	140,683	---	140,683	138,508
Investments	21,045	---	21,045	---
(market value \$8,291)	---	8,234	8,234	8,234
	161,728	8,234	169,962	146,742
LIABILITIES				
Fund balance	161,728	8,234	169,962	146,742
	161,728	8,234	169,962	146,742

Statement of Financial Activities

For the year ended December 31	Subdivision Security	Cemeteries	2019	2018
	\$	\$	\$	\$
REVENUES				
Received from developers	21,045	---	21,045	25,748
Bank interest	3,019	238	3,257	2,440
	24,064	238	24,302	28,188
EXPENSES				
Transfer to Township	844	182	1,026	1,702
Administration charges	---	56	56	56
	844	238	1,082	1,758
NET REVENUES FOR THE YEAR	23,220	---	23,220	26,430
BALANCE AT THE BEGINNING OF THE YEAR	138,508	8,234	146,742	120,312
BALANCE AT THE END OF THE YEAR	161,728	8,234	169,962	146,742

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

**Township of Leeds and The Thousand Islands
Trust Funds
Notes to the Financial Statements**

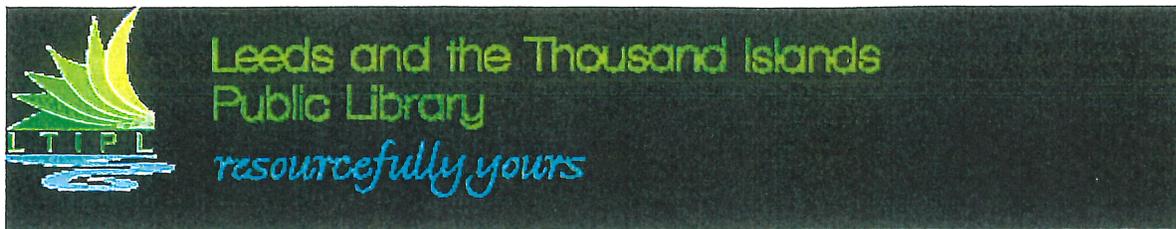
December 31, 2019

1. Significant Accounting Policies

Reporting Entity

Perpetual care receipts are reported on the cash basis of accounting and interest income is reported on the accrual basis of accounting.

Expenses are reported on the cash basis of accounting with the exception of administrative expenses which are reported on the accrual basis of accounting, which recognizes expenses as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.



Management's Responsibility for the Financial Statements

The accompanying financial statements of the Township of Leeds and The Thousand Islands Public Library Board are the responsibility of the Board's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

The financial statements have been audited by Allan and Partners LLP, independent external auditors appointed by the Board. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's financial statements.


Tara Mendez, CEO



INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Leeds and The Thousand Islands Public Library Board:

Opinion

We have audited the financial statements of the Township of Leeds and The Thousand Islands Public Library Board (the 'Entity'), which comprise:

- the statement of financial position as at December 31, 2019;
- the statement of operations and accumulated surplus for the year then ended;
- the statement of changes in net financial assets for the year then ended;
- the statement of cash flows for the year then ended;
- and the notes to the financial statements, including a summary of significant accounting policies; (Hereinafter referred to as the 'financial statements').

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the '**Auditors' Responsibilities for the Audit of the Financial Statements**' section of our auditor's report.

We are independent of the Entity 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 the 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 Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 of our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.



Allan and Partners LLP
Chartered Professional Accountants
Licensed Public Accountants

Perth, Ontario
April 15, 2020.

**Township of Leeds and The Thousand Islands
Public Library Board
Statement of Financial Position**

40542	2019	2018
	\$	\$
ASSETS		
Financial Assets		
Cash and short term deposits	247,214	487,023
Accounts receivable	21,956	10,692
Due from Township	3,616	---
	272,786	497,715
LIABILITIES		
Financial Liabilities		
Accounts payable and accrued liabilities	55,323	42,000
Due to Township	---	43,343
Deferred revenue	3,096	---
	58,419	85,343
NET FINANCIAL ASSETS	214,367	412,372
NON-FINANCIAL ASSETS		
Tangible capital assets (note 5)	108,659	107,849
ACCUMULATED SURPLUS (note 4)	323,026	520,221

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

**Township of Leeds and The Thousand Islands
Public Library Board
Statement of Operations**

For the year ended December 31	(Note 6) Budget	2019	2018
	\$	\$	\$
REVENUES			
Government Grants			
Municipal Grants	471,593	411,406	443,576
Province of Ontario ▶ operating	28,494	28,493	28,493
Other Grants	1,145	10,343	10,517
Service charges and fines	3,600	5,679	4,973
Investment income	7,000	8,624	6,597
Donations and fundraising	---	1,879	3,976
TOTAL REVENUES	511,832	466,424	498,132
EXPENSES			
Advertising	1,400	1,080	1,500
Amortization	---	36,697	36,905
Salaries and benefits	354,933	319,511	329,513
Telephone and internet	13,290	12,793	12,101
Other supplies and services	37,215	37,856	39,037
Technical services	16,155	14,332	15,634
Facility maintenance and utilities	30,345	28,692	29,308
Other special grant expenses	3,500	3,375	3,495
Professional fees	2,000	2,035	2,450
Transfer to Township building reserve	---	194,334	---
Minor Capital			
Equipment and furniture	13,000	12,914	13,866
TOTAL EXPENSES	471,838	663,619	483,809
ANNUAL (DEFICIT) SURPLUS	39,994	(197,195)	14,323
ACCUMULATED SURPLUS, BEGINNING OF YEAR	520,221	520,221	505,898
ACCUMULATED SURPLUS, END OF YEAR	560,215	323,026	520,221

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

**Township of Leeds and The Thousand Islands
Public Library Board
Statement of Changes in Net Financial Assets**

For the year ended December 31	(Note 6) Budget	2019	2018
	\$	\$	\$
ANNUAL (DEFICIT) SURPLUS	39,994	(197,195)	14,323
Amortization of tangible capital assets	---	36,697	36,905
Acquisition of tangible capital assets	(40,000)	(37,507)	(41,975)
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(6)	(198,005)	9,253
NET FINANCIAL ASSETS, BEGINNING OF YEAR	412,372	412,372	403,119
NET FINANCIAL ASSETS, END OF YEAR	412,366	214,367	412,372

Statement of Cash Flows

For the year ended December 31	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Annual (deficit) surplus	(197,195)	14,323
Non cash changes ▶ amortization	36,697	36,905
	(160,498)	51,228
Net Change in Non-Cash Working Capital Items		
Accounts receivable	(11,264)	9,586
Due from Township	(3,616)	---
Accounts payable and accrued liabilities	13,323	30,873
Due to the Township	(43,343)	43,343
Deferred revenue	3,096	(5,788)
	(41,804)	78,014
Working Capital from Operations	(202,302)	129,242
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(37,507)	(41,975)
NET (DECREASE) INCREASE IN CASH	(239,809)	87,267
CASH, BEGINNING OF YEAR	487,023	399,756
CASH, END OF YEAR	247,214	487,023

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

**Township of Leeds and The Thousand Islands
Public Library Board
Notes to the Financial Statements**

December 31, 2019

1. Status of the Board

The Leeds and The Thousand Islands Public Library Board (the 'Board') was established under the Public Library Act, 1992, R.S.O. 1990 in accordance with the Section 15 of the Minister of Municipal Affairs Restructuring Order which amalgamated the former Townships of Front of Leeds and Lansdowne, Rear of Leeds and Lansdowne and Front of Escott effective January 1, 2001.

2. Significant Accounting Policies

The financial statements of the Township of Leeds and The Thousand Islands Public Library Board are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Board are as follows:

Reporting Entity

The financial statements reflect financial assets, liabilities, operating revenues and expenses, reserves, reserve funds and changes in investment in tangible capital assets of the Board.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

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

Tangible Capital Assets

Tangible capital assets are recorded at cost, which include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Assets	Estimated Useful Life
Library Collection	7 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other assets as of the date of transfer.

**Township of Leeds and The Thousand Islands
Public Library Board
Notes to the Financial Statements**

December 31, 2019

2. Significant Accounting Policies / continued

Tangible Capital Assets / continued

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

When conditions indicate that a tangible capital asset no longer contributes to the Board's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the statement of operations.

Cash and Cash Equivalents

The Board considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

Government Transfers

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Deferred Revenue

The Board defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

The Board receives restricted contributions under the authority of Federal and Provincial legislation and Board by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Board has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

Financial Instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Board has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

**Township of Leeds and The Thousand Islands
Public Library Board
Notes to the Financial Statements**

December 31, 2019

2. Significant Accounting Policies / continued

Financial Instruments / continued

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Board classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

3. Risk Management

In the normal course of operations, the Board is exposed to a variety of financial risks which are actively managed by the Board.

The Board's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities. The fair values of cash, investments, accounts payable and accrued liabilities approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Board's exposure to and management of risk has not changed materially from December 31, 2018.

Credit Risk

Credit risk arises from the possibility that the entities to which the Board provides services to may experience difficulty and be unable to fulfill their obligations. The Board is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Board does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

Interest Rate Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Board is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Board's operating results.

**Township of Leeds and The Thousand Islands
Public Library Board
Notes to the Financial Statements**

December 31, 2019

3. Risk Management / continued

Liquidity Risk

Liquidity risk is the risk that the Board will not be able to meet its obligations as they fall due. The Board requires working capital to meet day-to-day operating activities. Management expects that the Board's cash flows from operating activities will be sufficient to meet these requirements.

4. Accumulated Surplus

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

	2019	2018
	\$	\$
Surplus		
Invested in tangible capital assets	108,659	107,849
Unrestricted surplus	---	9,253
	108,659	117,102
Reserves		
Working fund	62,568	62,568
Technology	84,742	84,742
Building and capital	---	194,334
Literacy / Opening Day Collection	67,057	61,475
	214,367	403,119
Accumulated Surplus	323,026	520,221

5. Tangible Capital Assets

Net Book Value of Assets	2019	2018
	\$	\$
Library Collection	108,659	107,849

For additional information, see Schedule 1 ▶ Tangible Capital Assets.

**Township of Leeds and The Thousand Islands
Public Library Board
Notes to the Financial Statements**

December 31, 2019

6. Budget Figures

Leeds and The Thousand Islands Public Library Board reviews its operating and capital budgets each year. The approved operating budget for 2019 is included in the budget figures presented in the Statement of Operations.

**Township of Leeds and The Thousand Islands
Public Library Board
Schedule 1 ▶ Tangible Capital Assets**

December 31, 2019

Assets	Cost 01/01/19	Net Additions (Disposals)	Cost 31/12/19	Accumulated Amortization 01/01/19	Net Amortization 2019	Accumulated Amortization 31/12/19	Net Book Value 31/12/19
	\$	\$	\$	\$	\$	\$	\$
Library Collection	529,890	37,507	567,397	422,041	36,697	458,738	108,659

December 31, 2018

Assets	Cost 01/01/18	Net Additions (Disposals)	Cost 31/12/18	Accumulated Amortization 01/01/18	Net Amortization 2018	Accumulated Amortization 31/12/18	Net Book Value 31/12/18
	\$	\$	\$	\$	\$	\$	\$
Library Collection	487,915	41,975	529,890	385,136	36,905	422,041	107,849

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

**Township of Leeds and The Thousand Islands
Schedule of Water and Sewer Operations
Statement of Financial Activities**

For the year ended December 31	(Note 17) Budget	2019	2018
	\$	\$	\$
REVENUES			
User charges			
▶ water and sewer bill revenue	545,500	544,767	536,452
▶ miscellaneous fees and service charges	60	60	70
▶ penalty and interest	3,200	4,462	3,789
▶ rent	12,500	12,912	411
Interest	12,000	24,649	24,420
TOTAL REVENUES	573,260	586,850	565,142
EXPENSES			
OCWA contract	262,100	258,807	253,236
Insurance	11,400	11,400	11,296
Materials and supplies	24,200	25,891	23,626
Professional fees	21,500	114,022	23,626
Minor capital repair	---	---	45,170
Program Support - internal	19,350	19,350	18,740
Amortization	---	24,075	13,929
TOTAL EXPENSES	338,550	453,545	389,623
INCREASE IN FUND BALANCES	234,710	133,305	175,519
FUND BALANCES, BEGINNING OF YEAR			
Invested in capital assets		344,715	358,644
Reserves		1,404,721	1,215,273
		1,749,436	1,573,917
FUND BALANCES, END OF YEAR			
Invested in capital assets		1,132,357	344,715
Reserves		750,384	1,404,721
		1,882,741	1,749,436
Net Book Value of Capital Assets			
Water tower		896,397	98,853
Pumping stations		235,960	245,862
Sewer mains and water distribution pipes		---	---
		1,132,357	344,715