



CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

CONSOLIDATED FINANCIAL STATEMENTS

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CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

For The Year Ended December 31, 2020

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Stirling-Rawdon are the responsibility of management and have been approved by Council.

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

The Township 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 Township's assets are appropriately accounted for and adequately safeguarded.

The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Stirling-Rawdon. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

The consolidated financial statements have been audited by Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Baker Tilly KDN LLP has full and free access to Council.

Mayor

CAO-Treasurer

July 6, 2021

INDEPENDENT AUDITOR'S REPORT**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Stirling-Rawdon****T: (705) 742-3418**
F: (705) 742-9775**www.bakertilly.ca***Opinion*

We have audited the consolidated financial statements of the Corporation of the Township of Stirling-Rawdon and its local boards (the Township), which comprise the consolidated statement of financial position as at December 31, 2020, the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2020, and the results of its consolidated operations 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.

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 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 consolidated 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 20, 2021

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2020**

	2020 \$	2019 \$ (restated - note 2)
FINANCIAL ASSETS		
Cash	3,268,613	1,984,586
Accounts receivable	1,288,208	1,796,709
Taxes receivable	1,027,343	1,081,816
TOTAL FINANCIAL ASSETS	5,584,164	4,863,111
LIABILITIES		
Accounts payable and accrued liabilities	1,191,202	1,837,622
Deferred revenue - obligatory reserve funds (note 5)	1,628,782	1,060,853
Deferred revenue - other	170,445	90,023
Long term debt (note 6)	2,999,133	3,547,568
Landfill liability (note 7)	2,593,272	1,833,846
Retirement benefits payable (note 8)	279,388	296,449
TOTAL LIABILITIES	8,862,222	8,666,361
NET DEBT	(3,278,058)	(3,803,250)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 10)	26,485,800	26,633,315
Prepaid expenses	7,851	11,995
TOTAL NON-FINANCIAL ASSETS	26,493,651	26,645,310
ACCUMULATED SURPLUS (note 11)	23,215,593	22,842,060

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2020**

	Budget 2020 \$	Actual 2020 \$	Actual 2019 \$ (restated - note 2)
	(Unaudited)		
REVENUES			
Property taxation	5,321,932	5,316,007	4,943,578
User charges	2,109,028	2,479,527	2,163,646
Government of Canada	60,000	70,208	40,000
Province of Ontario	1,207,752	1,086,839	1,878,527
Other municipalities	325,918	326,237	310,154
Penalties and interest on taxes	110,000	118,304	149,442
Investment income	32,450	32,291	46,511
Donations	22,700	18,526	69,750
Other grants	2,480	2,156	2,962
Developer contributions earned	-	-	252,686
Federal gas tax earned	385,894	385,894	260,936
TOTAL REVENUES	9,578,154	9,835,989	10,118,192
EXPENSES			
General government	796,908	790,624	747,364
Protection services	2,677,193	2,633,479	2,821,573
Transportation services	3,013,819	2,994,413	3,011,036
Environmental services	1,602,132	2,133,998	2,004,873
Health services	47,150	32,688	39,405
Recreation and cultural services	784,554	811,318	981,212
Planning and development	135,010	65,936	56,558
TOTAL EXPENSES	9,056,766	9,462,456	9,662,021
ANNUAL SURPLUS	<u>521,388</u>	373,533	456,171
ACCUMULATED SURPLUS - beginning of year		22,842,060	22,385,889
ACCUMULATED SURPLUS - end of year		23,215,593	22,842,060

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended December 31, 2020**

	Budget 2020 \$	Actual 2020 \$	Actual 2019 \$ (restated - note 2)
	(Unaudited)		
ANNUAL SURPLUS	521,388	373,533	456,171
Amortization of tangible capital assets	1,042,924	1,105,269	1,049,426
Purchase of tangible capital assets	(1,126,089)	(1,003,253)	(2,347,729)
Loss/(gain) on disposal of tangible capital assets	-	33,907	94,493
Proceeds on sale of tangible capital assets	-	11,592	-
Change in prepaid expenses	-	4,144	(1,500)
CHANGE IN NET DEBT	438,223	525,192	(749,139)
NET DEBT - beginning of year	(3,389,374)	(3,803,250)	(3,054,111)
NET DEBT - end of year	(2,951,151)	(3,278,058)	(3,803,250)

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020**

	2020 \$	2019 \$ (restated - note 2)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	373,533	456,171
Items not involving cash		
Amortization of tangible capital assets	1,105,269	1,049,426
Loss on disposal of tangible capital assets	33,907	94,493
Change in landfill liability	759,426	571,001
Change in non-cash assets and liabilities		
Accounts receivable	508,501	(783,516)
Taxes receivable	54,473	5,709
Prepaid expenses	4,144	(1,500)
Accounts payable and accrued liabilities	(646,420)	558,300
Deferred revenue - obligatory reserve funds	567,929	271,672
Deferred revenue - other	80,422	67,379
Retirement benefits payable	(17,061)	3,571
Net change in cash from operating activities	2,824,123	2,292,706
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,003,253)	(2,347,729)
Proceeds on disposal of tangible capital assets	11,592	-
Net change in cash from capital activities	(991,661)	(2,347,729)
FINANCING ACTIVITIES		
Debt principal repayments	(548,435)	(532,669)
NET CHANGE IN CASH	1,284,027	(587,692)
CASH - beginning of year	1,984,586	2,572,278
CASH - end of year	3,268,613	1,984,586

The accompanying notes are an integral part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

The Township of Stirling-Rawdon is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

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 and controlled by the Township. These consolidated financial statements include:

- Stirling-Rawdon Public Library Board
- Stirling-Rawdon and District Recreation Centre Joint Arena Board
- Stirling-Rawdon Business Improvement Area

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Trust Funds

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	20 years
Buildings	50-75 years
Equipment	7-30 years
Vehicles	3-25 years
Roads and streetlights	10-40 years
Bridges and culverts	50-75 years
Water and sewer system	75 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Taxation

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

Government Funding

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

Other revenue

User charges are recognized as revenue in the year the goods and services are provided, other than building permits which are recognized when payment is received.

Federal gas tax and development charges are recognized in the period in which the related expenditures are recorded.

(e) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Township because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

(f) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(g) Deferred Revenue

Deferred revenue represents user charges and fees and government transfers 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Use of Estimates

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements or changes in such estimates in future periods could be significant. The Township's significant estimates include:

- The amounts recorded for landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs;
- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values; and
- The amounts recorded for retirement benefit payable and the amount of retirement benefit costs charged to operations depend on certain economic assumptions and estimates.

2. RESTATEMENT FOR PRIOR PERIOD ERROR

The Township has restated its 2019 consolidated financial statements to account for expenses that were previously recorded in error.

One of the local consolidated Boards of the Township determined during the year that there were expenses recorded in both 2018 and 2019 as a result of a payable not being reversed. The Board has restated the financial statements to correct this and as such these consolidated financial statements have been restated.

Adjustments necessary to the 2019 consolidated financial statements as a result of the prior period adjustments are as follows:

Adjustment to 2019 Expenses

2019 expenses as previously stated	\$ 9,678,633
Less: payable not reversed	<u>(16,612)</u>
2019 expenses as restated for the year ended December 31, 2019	<u>\$ 9,662,021</u>

Adjustment to Opening 2020 Accumulated Surplus

Tangible capital assets	23,449,598
Surplus (deficit)	(3,745,431)
Reserves and reserve funds	<u>3,121,281</u>
Accumulated surplus as previously stated	22,825,448
Add: payable not reversed	<u>16,612</u>
Opening 2020 accumulated surplus as restated	<u>\$ 22,842,060</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2020, requisitions were made by the County of Hastings and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxes	950,183	1,379,028
Taxation from other governments	-	2,769
Amounts requisitioned and remitted	950,183	1,381,797

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

4. TRUST FUNDS

Trust funds administered by the Township amounting to \$255,203 (2019 - \$245,350) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. 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 operations.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict 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:

	2020	2019
	\$	\$
Parkland	29,911	29,911
Development charges	1,231,416	580,515
Federal gas tax	367,455	450,427
	1,628,782	1,060,853

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2020	2019
	\$	\$
Balance - beginning of year	1,060,853	789,181
Add amounts received:		
Development charges received	650,901	142,487
Federal gas tax funding received	148,101	306,656
County share of Federal gas tax funding received	148,101	306,653
Parkland fees received	-	5,000
Interest	6,720	24,498
	953,823	785,294
Less transfer to operations:		
Development charges earned	-	252,686
Gas tax funding earned	385,894	260,936
	385,894	513,622
Balance - end of year	1,628,782	1,060,853

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

6. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2020 \$	2019 \$
Ontario Infrastructure and Lands Corporation debenture repayable in blended semi-annual installments of \$98,190 with interest at 2.83%, due December 2021	192,289	379,250
Ontario Infrastructure and Lands Corporation debenture repayable in blended semi-annual installments of \$74,064 with interest at 2.05%, due September 2026	832,283	961,362
Ontario Infrastructure and Lands Corporation debenture repayable in blended semi-annual installments of \$62,347 with interest at 2.45%, due May 2027	745,065	849,580
Bank of Montreal term loan repayable in blended monthly installments of \$15,553 with interest at 4.51%, due November 2023	1,229,496	1,357,376
	2,999,133	3,547,568

- (b) The long term debt in (a) issued in the name of the Township have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (c) Interest paid during the year on long term debt amounted to \$107,460 (2019 - \$123,741).
- (d) The long term debt reported in (a) of this note is repayable as follows based on the current repayment terms:

	Principal \$	Interest \$	Total \$
2021	565,059	90,779	655,838
2022	384,292	75,166	459,458
2023	396,218	63,240	459,458
2024	408,463	50,995	459,458
2025	421,345	38,113	459,458
	2,175,377	318,293	2,493,670
2026 and subsequent years	823,756	40,216	863,972
	2,999,133	358,509	3,357,642

7. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The estimated liability for landfill closure and post-closure costs for the two sites the Township operates is \$2,593,272 (2019 - \$1,833,846). The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The Township has a landfill reserve fund of \$3,703 (2019 - \$3,703) and the remaining landfill closure and post-closure liability will be funded from taxation.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining life of the landfills. The total discounted future cash flows for closure and post-closure cost is estimated at \$3,690,314 as at December 31, 2020 (2019 - \$2,634,786). The remaining capacity of the landfill sites is estimated at 40,750 m³ (2019 - 42,207 m³) which is 31% (2019 - 32%) of the sites' total capacity. The liability is calculated based on the sites' capacity utilized to the end of the current year with a discount factor of 2.2% and inflation rate of 2%. The landfill sites are expected to reach their capacity in 19 and 33 years.

8. RETIREMENT BENEFITS PAYABLE

The Township provides retirement benefits to retired police employees until they reach the age of 70 which will require payment in future periods. The total discounted future cash flows for retirement benefits is estimated at \$279,388 (2019 - \$296,449). The liability for the retirement benefits payable has been calculated using current market costs to provide these benefits to the retirees until each employee reaches the age of 70 with a discount factor of 2.2% and inflation of 2%. This liability is expected to continue until 2037 or until the retirees are deceased.

9. PENSION AGREEMENTS

Certain employees of the Township are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2020 Annual Report disclosed total actuarial liabilities of \$113,055 million in respect of benefits accrued for service with actuarial assets of \$109,844 million indicating an actuarial deficit of \$3,211 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2020 were \$147,123 (2019 - \$132,435).

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

10. TANGIBLE CAPITAL ASSETS

The net book value of the Township's tangible capital assets are:

	2020	2019
	\$	\$
General		
Land	1,027,298	1,027,298
Land improvements	644,575	642,693
Buildings	5,675,774	5,717,319
Equipment	1,216,756	1,234,132
Vehicles	1,188,372	1,013,721
Infrastructure		
Roads and streetlights	10,648,102	10,491,568
Bridges and culverts	1,409,972	1,789,183
Water and sewer system	4,644,536	4,717,401
	26,455,385	26,633,315
Assets under construction	30,415	-
	26,485,800	26,633,315

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2019 - \$Nil) and no interest capitalized (2019 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2020	2019
	\$	\$
General government	1,679,689	1,682,097
Protection services	1,579,496	1,601,246
Transportation services	14,311,689	14,435,614
Environmental services	6,166,660	6,256,991
Recreation and cultural services	2,739,201	2,653,219
Planning and development	9,065	4,148
	26,485,800	26,633,315

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

11. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2020	2019 (restated - note 2)
	\$	\$
Surplus/(Deficit)		
Township	264,167	(104,437)
Water	-	(60,564)
Unfunded landfill closure and post-closure liability	(2,593,272)	(1,833,846)
Unfunded retirement benefits liability	(279,388)	(296,449)
Long term debt supporting operations	(1,229,496)	(1,357,376)
Library	(32,879)	(43,145)
Arena	(72,459)	(42,293)
Business Improvement Area	8,318	9,291
	(3,935,009)	(3,728,819)
Invested In Capital Assets		
Tangible capital assets - net book value	26,485,800	26,633,315
Long term debt	(1,769,636)	(2,190,192)
Unfunded capital (note 11(b))	(858,436)	(993,525)
	23,857,728	23,449,598
Surplus	19,922,719	19,720,779
Reserves		
Working funds	400,050	400,050
Efficiency funding	446,357	508,311
Library operations	3,000	3,000
Arena working funds	16,593	46,406
Business Improvement Area	6,700	6,700
Total Reserves	872,700	964,467
Reserve Funds		
Future capital	2,420,174	2,156,814
	23,215,593	22,842,060

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

11. ACCUMULATED SURPLUS, continued

(b) Unfunded capital projects will be funded from future property taxation, long term debt and user charges. Unfunded capital projects consist of the following:

	2020	2019
	\$	\$
Springbrook Road	(638,441)	(723,441)
Ridge Road	(39,497)	(59,497)
Swinburne Lane	(136,195)	(139,834)
Streetlights	(26,330)	(52,780)
Arena	(17,973)	(17,973)
	(858,436)	(993,525)

12. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2020 \$	Actual 2020 \$	Actual 2019 \$ (restated - note 2)
	(Unaudited)		
Salaries and benefits	2,524,239	2,604,083	2,434,008
Interest charges	48,000	107,460	123,741
Materials	3,248,755	2,704,524	2,993,700
Contracted services	2,095,542	2,802,735	2,885,594
Rents and financial	46,910	50,924	45,655
External transfers	50,396	53,554	43,265
Amortization	1,042,924	1,105,269	1,049,426
Loss on disposal of tangible capital assets	-	33,907	86,632
	9,056,766	9,462,456	9,662,021

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

13. BUDGET FIGURES

The budget, approved by the Township, for 2020 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Debt. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

The following is a reconciliation of the Council approved budget amounts to the PSA amounts:

	(Unaudited) Revenue \$	(Unaudited) Expenses \$
Council approved budget:		
Operating	10,036,238	9,183,316
Capital	177,642	1,030,564
Total Council approved budget	10,213,880	10,213,880
Less: Tangible capital assets capitalized	-	(1,126,089)
Add: Amortization of tangible capital assets	-	1,042,924
Less: Principal repayment of long term debt	-	(628,650)
Less: Transfers to/from reserves	(635,726)	(240,360)
Less: Change in unfinanced capital	-	(141,450)
Less: Prior year (surplus)/deficit	-	(70,649)
Less: Change in current fund	-	7,160
Adjusted budget per Consolidated Statement of Operations	9,578,154	9,056,766

14. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

15. SEGMENTED INFORMATION

The Township of Stirling-Rawdon is a municipal government organization that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

General Government

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

Protection Services

Protection services include police, fire, conservation authority and protective inspection and control.

Transportation Services

The activities of the transportation function include construction and maintenance of the Township's roads and bridges, winter control and street lighting.

Water and Sewer

This function is responsible for providing water and sewer services to the Township.

Other Environmental Services

This function is responsible for providing waste collection, waste disposal and recycling services to ratepayers.

Health Services

The health services function consists of external transfers to the local medical centre and the operation and maintenance of the local cemetery.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and library services.

Planning and Development

The planning and development services function manages commercial, industrial and residential development within the Township.

16. UNCERTAINTY CAUSED BY COVID-19

In March 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Township's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Township's operations. The extent of the impact of this outbreak and related containment measures on the Township's operations cannot be reliably estimated at this time.

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON



**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2020**

	General					Infrastructure			Assets Under Construction \$	Totals \$
	Land \$	Land Improvements \$	Buildings \$	Equipment \$	Vehicles \$	Roads and Streetlights \$	Bridges and Culverts \$	Water and Sewer System \$		
COST										
Balance, beginning of year	1,027,298	1,114,926	8,630,986	2,378,541	2,480,479	17,323,528	3,050,335	5,487,473	-	41,493,566
Add: additions during the year	-	19,431	112,855	121,794	333,170	385,588	-	-	30,415	1,003,253
Less: disposals during the year	-	-	-	87,680	153,808	-	-	-	-	241,488
Internal transfers	-	-	-	-	-	353,884	(353,884)	-	-	-
Balance, end of year	1,027,298	1,134,357	8,743,841	2,412,655	2,659,841	18,063,000	2,696,451	5,487,473	30,415	42,255,331
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	472,233	2,913,667	1,144,409	1,466,758	6,831,960	1,261,152	770,072	-	14,860,251
Add: additions during the year	-	17,549	154,400	139,172	113,018	574,091	34,174	72,865	-	1,105,269
Less: disposals during the year	-	-	-	87,682	108,307	-	-	-	-	195,989
Internal transfers	-	-	-	-	-	8,847	(8,847)	-	-	-
Balance, end of year	-	489,782	3,068,067	1,195,899	1,471,469	7,414,898	1,286,479	842,937	-	15,769,531
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,027,298	644,575	5,675,774	1,216,756	1,188,372	10,648,102	1,409,972	4,644,536	30,415	26,485,800

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON



CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2020

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	300,712	1,453,329	2,695,663	-	262,156	18,142	554,482	31,523	5,316,007
User charges	100,432	713,156	30,125	1,286,459	163,895	11,939	159,849	13,672	2,479,527
Government transfers - operating	95,980	334,084	438,933	-	12,993	3,008	100,755	23,859	1,009,612
Government transfers - capital	-	-	77,227	-	-	-	70,208	-	147,435
Other municipalities	-	132,910	-	-	-	-	193,327	-	326,237
Penalties and interest on taxes	118,304	-	-	-	-	-	-	-	118,304
Investment income	31,050	-	-	-	-	-	1,095	146	32,291
Donations	-	-	-	-	-	-	16,526	2,000	18,526
Other grants	-	-	-	-	-	-	2,156	-	2,156
Federal gas tax earned	-	-	385,894	-	-	-	-	-	385,894
Total revenues	646,478	2,633,479	3,627,842	1,286,459	439,044	33,089	1,098,398	71,200	9,835,989
Expenses									
Salaries and benefits	548,852	635,221	714,235	330,403	9,778	680	364,264	650	2,604,083
Interest charges	14,470	44,286	20,178	28,469	-	-	57	-	107,460
Materials	181,221	298,673	1,420,019	387,025	54,392	720	297,930	64,544	2,704,524
Contracted services	43,673	1,481,660	39,405	62,558	1,120,420	31,288	23,300	431	2,802,735
Rents and financial	-	45,318	5,185	421	-	-	-	-	50,924
External transfers	-	53,554	-	-	-	-	-	-	53,554
Amortization	2,408	75,807	760,444	130,269	10,263	-	125,767	311	1,105,269
Loss (gain) on disposal of tangible capital assets	-	(1,040)	34,947	-	-	-	-	-	33,907
Total expenses	790,624	2,633,479	2,994,413	939,145	1,194,853	32,688	811,318	65,936	9,462,456
Net surplus/(deficit)	(144,146)	-	633,429	347,314	(755,809)	401	287,080	5,264	373,533

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON



CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2019

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	173,573	1,929,008	2,064,929	-	257,329	13,061	465,241	40,437	4,943,578
User charges	62,514	414,700	7,980	1,271,201	156,763	10,790	218,298	21,400	2,163,646
Government transfers - operating	577,073	445,837	392,028	-	14,240	2,539	99,268	12,699	1,543,684
Government transfers - capital	-	-	334,843	-	-	-	40,000	-	374,843
Other municipalities	-	128,625	-	-	-	-	181,529	-	310,154
Penalties and interest on taxes	149,442	-	-	-	-	-	-	-	149,442
Investment income	40,951	-	-	-	-	-	5,199	361	46,511
Donations	-	-	-	-	-	-	69,750	-	69,750
Other grants	-	-	-	-	-	-	2,962	-	2,962
Developer contributions earned	-	-	252,686	-	-	-	-	-	252,686
Federal gas tax earned	-	-	260,936	-	-	-	-	-	260,936
Total revenues	1,003,553	2,918,170	3,313,402	1,271,201	428,332	26,390	1,082,247	74,897	10,118,192
Expenses									
Salaries and benefits	428,978	599,841	738,973	333,064	4,025	1,246	327,031	850	2,434,008
Interest charges	15,816	48,404	22,693	36,256	-	-	572	-	123,741
Materials	180,449	287,835	1,470,659	394,179	72,642	16,993	505,610	65,333	2,993,700
Contracted services	54,220	1,724,939	30,647	113,581	913,759	21,166	27,131	151	2,885,594
Rents and financial	-	45,260	-	395	-	-	-	-	45,655
External transfers	-	52,256	-	-	-	-	1,009	(10,000)	43,265
Amortization	24,800	63,038	704,533	125,794	11,178	-	119,859	224	1,049,426
Loss (gain) on disposal of tangible capital assets	43,101	-	43,531	-	-	-	-	-	86,632
Total expenses	747,364	2,821,573	3,011,036	1,003,269	1,001,604	39,405	981,212	56,558	9,662,021
Net surplus/(deficit)	256,189	96,597	302,366	267,932	(573,272)	(13,015)	101,035	18,339	456,171

INDEPENDENT AUDITOR'S REPORT**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Stirling-Rawdon****T: (705) 742-3418**
F: (705) 742-9775**www.bakertilly.ca***Opinion*

We have audited the financial statements of the Trust Funds of the Corporation of the Township of Stirling-Rawdon (the Trust Funds), which comprise the statement of financial position as at December 31, 2020, 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, 2020, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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 Trust Funds' 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' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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' 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' 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 20, 2021

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2020**

	Cemetery Perpetual Care \$	Cemetery Monument Care \$	Wellman's Cemetery Perpetual Care \$	2020 Total \$	2019 Total \$
FINANCIAL ASSETS					
Investments (note 3)	185,739	30,814	37,930	254,483	244,630
Due from Township	720	-	-	720	720
	186,459	30,814	37,930	255,203	245,350
FUND BALANCES					
Capital	162,880	27,390	36,612	226,882	229,231
Operating	23,579	3,424	1,318	28,321	16,119
	186,459	30,814	37,930	255,203	245,350

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**TRUST FUNDS
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2020**

	Cemetery Perpetual Care \$	Cemetery Monument Care \$	Wellman's Cemetery Perpetual Care \$	2020 Total \$	2019 Total \$
BALANCES - beginning of year	179,669	29,578	36,103	245,350	238,413
RECEIPTS					
Investment income	5,350	886	1,077	7,313	5,191
Perpetual care fees	1,440	350	750	2,540	1,790
	6,790	1,236	1,827	9,853	6,981
EXPENSES					
Transfer to Wellman's cemetery	-	-	-	-	44
BALANCES - end of year	186,459	30,814	37,930	255,203	245,350

The accompanying notes are an integral part of these financial statements

**TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. PURPOSE OF TRUST FUNDS

The Cemetery Perpetual Care Fund administered by the Township is funded by the sale of cemetery plots and niches. These funds are invested and earnings derived there from are used to perform perpetual care maintenance to the Township's cemeteries. The operations and investments of the Fund are undertaken by the Township in accordance with the regulations of the Cemeteries Act.

The Cemetery Monument Care Fund administered by the Township is funded by the sale of cemetery monuments. These funds are invested and earnings derived there from are used to perform monument care maintenance to the Township's cemeteries. The operations and investments of the Fund are undertaken by the Township in accordance with the regulations of the Cemeteries Act.

The Wellman's Cemetery Perpetual Care Fund administered by the Township is funded by the sale of Wellman's cemetery plots and niches. These funds are invested and earnings derived there from are used to perform perpetual care maintenance to the Wellman's Cemetery. The operations and investments of the Fund are undertaken by the Township in accordance with the regulations of the Cemeteries Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

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

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 and are based on the Township's best information and judgment. Actual results could differ from these estimates.

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

3. INVESTMENTS

Investments consist of the following investments recorded at cost:

	Market Value \$	2020 Cost \$	2019 Cost \$
Scotiastart Bond Common Trust Fund			
Cemetery Perpetual Care	170,737	185,739	178,949
Cemetery Monument Care	30,043	30,814	29,578
Wellman's Cemetery Perpetual Care	36,885	37,930	36,103
	<hr/>	<hr/>	<hr/>
	237,665	254,483	244,630

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

STIRLING-RAWDON PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT**To the Members of the Stirling-Rawdon Public Library Board,
the Members of Council, Inhabitants and Ratepayers of the
Corporation of the Township of Stirling-Rawdon****T: (705) 742-3418
F: (705) 742-9775****www.bakertilly.ca***Qualified Opinion*

We have audited the financial statements of the Stirling-Rawdon Public Library Board of the Corporation of the Township of Stirling-Rawdon (the Board), which comprise the statement of financial position as at December 31, 2020, the statements of operations and accumulated surplus, change in net financial assets/(net debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many Public Library Boards, the Board derives revenue from user charges, donations and Good Food Box program, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were not able to determine whether any adjustments might be necessary to user charges, donations and Good Food Box program revenue, annual surplus/(deficit), assets and accumulated surplus.

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 Board 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 qualified 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 Board'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 Board or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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 Board'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 Board'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 Board 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 20, 2021

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**STIRLING-RAWDON PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2020**

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	8,131	8,392
Accounts receivable	7,677	7,684
TOTAL FINANCIAL ASSETS	15,808	16,076
LIABILITIES		
Accounts payable	4,694	4,865
Due to Township of Stirling-Rawdon (note 5)	32,112	40,955
TOTAL LIABILITIES	36,806	45,820
NET DEBT	(20,998)	(29,744)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	240,576	219,290
Prepaid expenses	236	347
TOTAL NON-FINANCIAL ASSETS	240,812	219,637
ACCUMULATED SURPLUS (note 3)	219,814	189,893

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**STIRLING-RAWDON PUBLIC LIBRARY BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Municipal contributions (note 5)	200,130	200,130	143,690
Province of Ontario	8,810	8,810	8,810
Other grants	1,980	1,981	1,474
Donations	3,000	5,026	8,094
Investment income	150	111	341
User charges	6,000	4,532	7,934
Good Food Box program	-	1,920	3,999
TOTAL REVENUES	220,070	222,510	174,342
EXPENSES			
Salaries and benefits	141,500	132,863	128,029
Office and administration	9,890	9,988	10,119
Training	725	720	656
Insurance	6,780	6,771	5,578
Maintenance and utilities	16,600	15,557	17,258
Periodicals and audio/visual	1,650	4,552	2,825
Good Food Box program	-	1,971	3,999
Musical instrument lending library	-	-	3,999
Amortization	20,436	20,167	20,436
TOTAL EXPENSES	197,581	192,589	192,899
ANNUAL SURPLUS/(DEFICIT)	<u>22,489</u>	29,921	(18,557)
ACCUMULATED SURPLUS - beginning of year		189,893	208,450
ACCUMULATED SURPLUS - end of year		219,814	189,893

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**STIRLING-RAWDON PUBLIC LIBRARY BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
ANNUAL SURPLUS/(DEFICIT)	22,489	29,921	(18,557)
Amortization of tangible capital assets	20,436	20,167	20,436
Acquisition of tangible capital assets	(9,000)	(41,453)	(9,660)
Change in prepaid expenses	-	111	(347)
CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)	33,925	8,746	(8,128)
NET DEBT - beginning of year	(29,744)	(29,744)	(21,616)
NET FINANCIAL ASSETS/(NET DEBT) - end of year	4,181	(20,998)	(29,744)

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**STIRLING-RAWDON PUBLIC LIBRARY BOARD
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020**

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	29,921	(18,557)
Items not involving cash		
Amortization of tangible capital assets	20,167	20,436
Change in non-cash assets and liabilities		
Accounts receivable	7	(2,628)
Prepaid expenses	111	(347)
Accounts payable	(171)	475
Due to Township of Stirling-Rawdon	(8,843)	(26,963)
Net change in cash from operating activities	41,192	(27,584)
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(41,453)	(9,660)
NET CHANGE IN CASH	(261)	(37,244)
CASH - beginning of year	8,392	45,636
CASH - end of year	8,131	8,392

The accompanying notes are an integral part of these financial statements

**STIRLING-RAWDON PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

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

User charges and the Good Food Box program fees are recognized as revenue in the year the goods and services are provided.

Donations are recognized when the amounts are received.

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Buildings	50 years
Books	7 years
Computers	5 years
Furniture	5 to 20 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(d) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**STIRLING-RAWDON PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Reserves and Reserve Funds

Certain amounts, as approved by the Board, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(f) Inter-Entity Transactions

The Stirling-Rawdon Public Library Board is a Board of the Township of Stirling-Rawdon and is consolidated with the Township's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Township.

2. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

	Buildings \$	Books \$	Furniture \$	2020 Totals \$	2019 Totals \$
COST					
Balance, beginning of year	501,375	65,667	13,508	580,550	581,303
Add: additions during the year	35,525	5,928	-	41,453	9,660
Less: disposals during the year	-	12,790	-	12,790	10,413
Balance, end of year	536,900	58,805	13,508	609,213	580,550
ACCUMULATED AMORTIZATION					
Balance, beginning of year	313,583	38,669	9,008	361,260	351,237
Add: additions during the year	-	9,527	10,640	20,167	20,436
Less: disposals during the year	-	12,790	-	12,790	10,413
Balance, end of year	313,583	35,406	19,648	368,637	361,260
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	223,317	23,399	(6,140)	240,576	219,290

**STIRLING-RAWDON PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
Deficit		
Operations	(32,879)	(43,145)
Invested In Capital Assets		
Tangible capital assets - net book value	240,576	219,290
Surplus	207,697	176,145
Reserve		
Working funds	3,000	3,000
Reserve Fund		
Future capital	9,117	10,748
	219,814	189,893

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2020 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets/(Net Debt). The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

**STIRLING-RAWDON PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

5. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Stirling-Rawdon.

As part of the budgeting process, the Township approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus.

Details of the inter-entity expense transactions are as follows:

	2020	2019
	\$	\$
Allocated costs:		
Insurance	6,771	5,578
Office and administration	3,561	2,848
	10,332	8,426

In addition, the following services are provided to the Board by the Township at no cost:

- Accounting, administrative and payroll services
- Rental of land
- Other occupancy costs

All balances with the Township of Stirling-Rawdon have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

6. UNCERTAINTY CAUSED BY COVID-19

In March 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Board's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Board's operations. The extent of the impact of this outbreak and related containment measures on the Board's operations cannot be reliably estimated at this time.

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**

**STIRLING-RAWDON AND DISTRICT
RECREATION CENTRE JOINT ARENA BOARD**

FINANCIAL STATEMENTS

DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

**To the Members of the Stirling-Rawdon and District
Recreation Centre Joint Arena Board, the Members of
Council, Inhabitants and Ratepayers of the Corporation of
the Township of Stirling-Rawdon**

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Qualified Opinion

We have audited the financial statements of the Stirling-Rawdon and District Recreation Centre Joint Arena Board of the Corporation of the Township of Stirling-Rawdon (the Board), which comprise the statement of financial position as at December 31, 2020, the statements of operations and accumulated surplus, change in net financial assets/(net debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many Municipal boards, the Board derives revenue from user charges and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were not able to determine whether any adjustments might be necessary to user charges and donations revenue, annual surplus, assets and accumulated surplus.

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 Board 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 qualified 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 Board'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 Board or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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 Board'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 Board'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 Board 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 20, 2021

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2020**

	2020 \$	2019 \$ (restated - note 2)
FINANCIAL ASSETS		
Cash	14,685	140,983
Accounts receivable	32,994	52,998
TOTAL FINANCIAL ASSETS	47,679	193,981
LIABILITIES		
Accounts payable	9,883	59,486
Due to Township of Stirling-Rawdon (note 6)	82,429	66,739
Deferred revenue (note 8)	7,590	60,000
TOTAL LIABILITIES	99,902	186,225
NET FINANCIAL ASSETS/(NET DEBT)	(52,223)	7,756
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	1,328,006	1,249,277
ACCUMULATED SURPLUS (note 4)	1,275,783	1,257,033

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2020**

	Budget 2020 \$	Actual 2020 \$	Actual 2019 \$ (restated - note 2)
	(Unaudited)		
REVENUES			
Municipal contributions (note 6)	254,323	254,380	248,743
Federal grant	60,000	70,208	40,000
User charges			
Ice rentals	167,500	110,048	163,431
Canteen rentals	4,336	1,800	4,722
Curling club rentals	25,000	18,657	17,251
Other fees and charges	19,491	14,888	18,309
Investment income	2,000	985	4,858
Donations	1,700	1,500	61,657
TOTAL REVENUES	534,350	472,466	558,971
EXPENSES			
Salaries and benefits	180,000	205,660	184,132
Utilities	134,000	87,132	126,061
Maintenance	42,750	35,408	50,864
Office and administration	4,000	4,559	4,048
Insurance	33,000	32,787	25,233
Other	7,500	16,034	6,553
Amortization	66,348	72,136	66,348
TOTAL EXPENSES	467,598	453,716	463,239
ANNUAL SURPLUS	<u>66,752</u>	18,750	95,732
ACCUMULATED SURPLUS - beginning of year		1,257,033	1,161,301
ACCUMULATED SURPLUS - end of year		1,275,783	1,257,033

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$ (restated - note 2)
ANNUAL SURPLUS	66,752	18,750	95,732
Amortization of tangible capital assets	66,348	72,136	66,348
Acquisition of tangible capital assets	-	(150,865)	(311,407)
CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)	133,100	(59,979)	(149,327)
NET FINANCIAL ASSETS - beginning of year	7,756	7,756	157,083
NET FINANCIAL ASSETS/(NET DEBT) - end of year	140,856	(52,223)	7,756

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020**

	2020 \$	2019 \$ (restated - note 2)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	18,750	95,732
Items not involving cash		
Amortization of tangible capital assets	72,136	66,348
Change in non-cash assets and liabilities		
Accounts receivable	20,004	10,286
Accounts payable	(49,603)	17,746
Due to Township of Stirling-Rawdon	15,690	37,566
Deferred revenue	(52,410)	60,000
Net change in cash from operating activities	24,567	287,678
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(150,865)	(311,407)
NET CHANGE IN CASH	(126,298)	(23,729)
CASH - beginning of year	140,983	164,712
CASH - end of year	14,685	140,983

The accompanying notes are an integral part of these financial statements

**STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

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

User charges are recognized as revenue in the year the goods and services are provided.

Donations are recognized when the amounts are received.

Investment income is recorded when earned.

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Building	75 years
Equipment	15 - 25 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(d) Deferred Revenue

Deferred revenue represents grants, 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.

**STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

(f) Reserves and Reserve Funds

Certain amounts, as approved by the Board, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(g) Inter-Entity Transactions

The Stirling-Rawdon and District Recreation Centre Joint Arena Board is a Board of the Township of Stirling-Rawdon and is consolidated with the Township's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Township.

2. RESTATEMENT FOR PRIOR PERIOD ERROR

The Board has restated its 2019 financial statements to account for expenses that were previously recorded in error.

The Board determined during the year that there were expenses recorded in both 2018 and 2019.

Adjustments necessary to the 2019 financial statements as a result of the prior period adjustments are as follows:

Adjustment to 2019 Expenses

2019 Expenses as previously stated	\$ 479,851
Less: Duplicated expenses	<u>(16,612)</u>
2019 expenses as restated for the year ended December 31, 2019	<u>\$ 463,239</u>

Adjustment to Opening 2020 Accumulated Surplus

Accumulated surplus as previously stated	
Operations	\$ (58,905)
Tangible capital assets	1,231,304
Reserves and reserve funds	<u>68,022</u>
	1,240,421
Add: Duplicated expenses	<u>16,612</u>
Opening 2020 accumulated surplus, as restated	<u>\$ 1,257,033</u>

**STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

3. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

	Land	Building	Equipment	2020 Totals	2019 Totals
	\$	\$	\$	\$	\$
COST					
Balance, beginning of year	94,150	1,540,297	586,271	2,220,718	1,909,311
Add: additions during the year	-	47,865	103,000	150,865	311,407
Less: disposals during the year	-	-	74,890	74,890	-
Balance, end of year	94,150	1,588,162	614,381	2,296,693	2,220,718
ACCUMULATED AMORTIZATION					
Balance, beginning of year	-	632,206	339,235	971,441	905,093
Add: additions during the year	-	39,028	33,108	72,136	66,348
Less: disposals during the year	-	-	74,890	74,890	-
Balance, end of year	-	671,234	297,453	968,687	971,441
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	94,150	916,928	316,928	1,328,006	1,249,277

**STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
Deficit		
Operations	(72,459)	(42,293)
Invested In Capital Assets		
Tangible capital assets - net book value	1,328,006	1,249,277
Unfunded capital	(17,973)	(17,973)
	1,310,033	1,231,304
Surplus	1,237,574	1,189,011
Reserve		
Working funds	16,593	46,406
Reserve Fund		
Future capital	21,616	21,616
	1,275,783	1,257,033

5. BUDGET FIGURES

The operating budget, approved by the Board, for 2020 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets/(Net Debt). The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

**STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

6. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Stirling-Rawdon.

As part of the budgeting process, the Township approves a contribution to the Board. For 2020, the contribution was \$97,457 (2019 - \$96,239) which is included in municipal contributions on the Statement of Operations and Accumulated Surplus.

Details of the inter-entity expense transactions are as follows:

	2020	2019
	\$	\$
Allocated costs:		
Insurance	32,787	25,233
Water and sewer	3,518	3,433
Office and administration	-	89
	36,305	28,755

In addition, the Township of Stirling-Rawdon provides accounting and administrative services to the Board at no cost.

All balances with the Township of Stirling-Rawdon have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

7. CONTRACTUAL RIGHTS

Contractual rights are assets and revenues that will occur in the future due to an enforceable agreement in effect at the financial statement date. The Board has contractual rights to receive revenue from a shared cost agreements.

The Board has a shared cost agreement with The Stirling Curling Club for certain costs. The agreement entitles the Board to future revenues equal to the utilities, caretaking, capital repairs, fire insurance, liability insurance, and refrigeration equipment for the curling portion of the recreation centre for the year. The total future revenues cannot be reasonably estimated as they are dependent upon the actual costs for the curling portion of the recreation centre for any given year. This agreement is in effect until the parties amend or terminate the agreement as it has automatic 5 year renewals. Under this agreement, the revenues earned relating to the curling club for the year ended December 31, 2020 was \$18,657 (2019 - \$17,251).

**STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

8. DEFERRED REVENUE

Included in deferred revenue are the following amounts:

	2020	2019
	\$	\$
Employment and Social Development Canada federal grant	-	60,000
New Horizons	7,590	-
	<u>7,590</u>	<u>60,000</u>

The continuity of deferred revenue is as follows:

	2020	2019
	\$	\$
Balance - beginning of year	60,000	-
Add amounts received:		
Employment and Social Development Canada federal grant	-	100,000
New Horizons	17,798	-
	<u>17,798</u>	<u>100,000</u>
Less amounts earned:		
Employment and Social Development Canada federal grant	60,000	40,000
New Horizons	10,208	-
	<u>70,208</u>	<u>40,000</u>
Balance - end of year	<u>7,590</u>	<u>60,000</u>

9. UNCERTAINTY CAUSED BY COVID-19

In March 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Board's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Board's operations. The extent of the impact of this outbreak and related containment measures on the Board's operations cannot be reliably estimated at this time.

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

STIRLING-RAWDON BUSINESS IMPROVEMENT AREA

FINANCIAL STATEMENTS

DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of the Stirling-Rawdon Business Improvement Area, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Stirling-Rawdon

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Opinion

We have audited the financial statements of the Stirling-Rawdon Business Improvement Area of the Corporation of the Township of Stirling-Rawdon (the Board), which comprise the statement of financial position as at December 31, 2020, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board 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 Board'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 Board or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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 Board'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 Board'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 Board 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 20, 2021

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**STIRLING-RAWDON BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
At December 31, 2020**

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	13,206	15,524
Accounts receivable	1,574	467
TOTAL FINANCIAL ASSETS	14,780	15,991
LIABILITIES		
Accounts payable	44	-
NET FINANCIAL ASSETS	14,736	15,991
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	9,065	4,148
Prepays	282	-
TOTAL NON-FINANCIAL ASSETS	9,347	4,148
ACCUMULATED SURPLUS (note 4)	24,083	20,139

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**STIRLING-RAWDON BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Municipal contributions (note 5)	7,500	7,500	7,500
Donations	-	2,000	-
Farmers' market	-	217	-
Investment income	300	146	361
Special events	-	440	-
Digital Main Street grant	-	-	10,000
TOTAL REVENUES	7,800	10,303	17,861
EXPENSES			
Water Buffalo Festival	1,000	-	1,000
Other special events	2,460	2,644	610
Marketing	5,500	-	1,500
Streetscape	1,000	1,486	901
Decorations	-	44	-
Promotion and communications	2,000	-	11,398
Parade	500	-	-
Administration	300	231	225
Farmers' market	2,000	1,643	-
Amortization	-	311	224
TOTAL EXPENSES	14,760	6,359	15,858
ANNUAL SURPLUS/(DEFICIT)	<u>(6,960)</u>	3,944	2,003
ACCUMULATED SURPLUS - beginning of year		20,139	18,136
ACCUMULATED SURPLUS - end of year		24,083	20,139

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**STIRLING-RAWDON BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
ANNUAL SURPLUS/(DEFICIT)	(6,960)	3,944	2,003
Amortization of tangible capital assets	-	311	224
Acquisition of tangible capital assets	-	(5,228)	-
Change in prepaids	-	(282)	-
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(6,960)	(1,255)	2,227
NET FINANCIAL ASSETS - beginning of year	15,991	15,991	13,764
NET FINANCIAL ASSETS - end of year	9,031	14,736	15,991

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
STIRLING-RAWDON**



**STIRLING-RAWDON BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020**

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	3,944	2,003
Items not involving cash		
Amortization of tangible capital assets	311	224
Change in non-cash assets and liabilities		
Accounts receivable	(1,107)	1,565
Prepays	(282)	-
Accounts payable	44	(411)
Due to Township of Stirling-Rawdon	-	(500)
Net change in cash from operating activities	2,910	2,881
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(5,228)	-
NET CHANGE IN CASH	(2,318)	2,881
CASH - beginning of year	15,524	12,643
CASH - end of year	13,206	15,524

The accompanying notes are an integral part of these financial statements

**STIRLING-RAWDON BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. NATURE OF ORGANIZATION

The Stirling-Rawdon Business Improvement Area, comprising those lands as described in the Village of Stirling By-Law 1434-97, was established for the improvement, beautification and maintenance of municipally owned lands, buildings and structures in the area, beyond that provided at the expense of the municipality, and for the promotion of the area as a business and shopping area.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

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

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 and are based on the Board's best information and judgment. Actual results could differ from these estimates.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Equipment	5 - 20 years
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Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(d) Reserves

Certain amounts, as approved by the Board, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective fund when approved.

**STIRLING-RAWDON BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Inter-Entity Transactions

The Stirling-Rawdon Business Improvement Area is a Board of the Township of Stirling-Rawdon and is consolidated with the Township's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Township.

2. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

	2020 Equipment \$	2019 Equipment \$
COST		
Balance, beginning of year	4,484	4,484
Add: additions during the year	5,228	-
Balance, end of year	9,712	4,484
ACCUMULATED AMORTIZATION		
Balance, beginning of year	336	112
Add: additions during the year	311	224
Balance, end of year	647	336
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	9,065	4,148

3. BUDGET FIGURES

The operating budget, approved by the Board, for 2020 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

**STIRLING-RAWDON BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
Surplus		
Operations	8,318	9,291
Invested In Capital Assets		
Tangible capital assets - net book value	9,065	4,148
Surplus	17,383	13,439
Reserve		
Working fund	6,700	6,700
	24,083	20,139

5. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Stirling-Rawdon.

As part of the budgeting process, the Township approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus.

There were no inter-entity expense transactions in 2020 and 2019.

In addition, the Township provides accounting and administrative services to the Board at no cost.

6. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

7. UNCERTAINTY CAUSED BY COVID-19

In March 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Board's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Board's operations. The extent of the impact of this outbreak and related containment measures on the Board's operations cannot be reliably estimated at this time.