

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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, 2021

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.


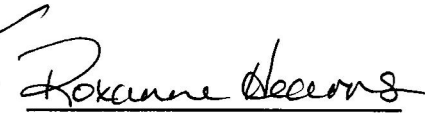
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen 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.

  September 27, 2023

Mayor

CAO-Treasurer

INDEPENDENT AUDITOR'S REPORT**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Stirling-Rawdon***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, 2021, 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, 2021, 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
November 10, 2023

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	5,676,377	3,268,613
Accounts receivable	1,305,566	1,288,208
Taxes receivable	1,075,508	1,027,343
TOTAL FINANCIAL ASSETS	8,057,451	5,584,164
LIABILITIES		
Accounts payable and accrued liabilities	1,639,991	1,191,202
Deferred revenue - obligatory reserve funds (note 4)	2,666,166	1,628,782
Deferred revenue - other	87,202	170,445
Long term debt (note 5)	2,434,074	2,999,133
Landfill closure and post-closure liability (note 6)	3,329,300	2,593,272
Retirement benefits payable (note 7)	255,940	279,388
TOTAL LIABILITIES	10,412,673	8,862,222
NET DEBT	(2,355,222)	(3,278,058)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 9)	27,235,514	26,485,800
Prepaid expenses	32,782	7,851
TOTAL NON-FINANCIAL ASSETS	27,268,296	26,493,651
ACCUMULATED SURPLUS (note 10)	24,913,074	23,215,593

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Property taxation	5,376,107	5,456,219	5,316,007
User charges	2,213,609	2,952,963	2,438,759
Government of Canada	7,590	7,590	70,208
Province of Ontario	1,183,357	1,235,446	1,086,838
Other municipalities	366,096	396,746	366,180
Penalties and interest on taxes	140,000	143,076	118,304
Investment income	30,722	36,778	32,291
Donations	4,700	7,613	18,526
Other grants	2,552	100,663	2,982
Federal gas tax earned	103,700	103,699	385,894
TOTAL REVENUES	9,428,433	10,440,793	9,835,989
EXPENSES			
General government	836,899	835,389	790,624
Protection services	2,139,728	1,600,029	2,633,479
Transportation services	3,265,614	3,005,608	2,994,413
Environmental services	1,575,357	2,180,439	2,133,998
Health services	72,150	65,697	32,688
Recreation and cultural services	877,480	1,027,748	811,318
Planning and development	65,594	28,402	65,936
TOTAL EXPENSES	8,832,822	8,743,312	9,462,456
ANNUAL SURPLUS	<u>595,611</u>	1,697,481	373,533
ACCUMULATED SURPLUS - beginning of year		23,215,593	22,842,060
ACCUMULATED SURPLUS - end of year		24,913,074	23,215,593

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
ANNUAL SURPLUS	595,611	1,697,481	373,533
Amortization of tangible capital assets	1,099,078	1,152,045	1,105,269
Purchase of tangible capital assets	(3,445,320)	(1,901,759)	(1,003,253)
Loss/(gain) on disposal of tangible capital assets	-	(30,000)	33,907
Proceeds on sale of tangible capital assets	-	30,000	11,592
Change in prepaid expenses	-	(24,931)	4,144
CHANGE IN NET DEBT	(1,750,631)	922,836	525,192
NET DEBT - beginning of year	(3,278,058)	(3,278,058)	(3,803,250)
NET DEBT - end of year	(5,028,689)	(2,355,222)	(3,278,058)

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, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	1,697,481	373,533
Items not involving cash		
Amortization of tangible capital assets	1,152,045	1,105,269
Loss/(gain) on disposal of tangible capital assets	(30,000)	33,907
Change in landfill liability	736,028	759,426
Change in non-cash assets and liabilities		
Accounts receivable	(17,358)	508,501
Taxes receivable	(48,165)	54,473
Prepaid expenses	(24,931)	4,144
Accounts payable and accrued liabilities	448,789	(646,420)
Deferred revenue - obligatory reserve funds	1,037,384	567,929
Deferred revenue - other	(83,243)	80,422
Retirement benefits payable	(23,448)	(17,061)
Net change in cash from operating activities	4,844,582	2,824,123
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,901,759)	(1,003,253)
Proceeds on disposal of tangible capital assets	30,000	11,592
Net change in cash from capital activities	(1,871,759)	(991,661)
FINANCING ACTIVITIES		
Debt principal repayments	(565,059)	(548,435)
NET CHANGE IN CASH	2,407,764	1,284,027
CASH - beginning of year	3,268,613	1,984,586
CASH - end of year	5,676,377	3,268,613

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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.

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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.

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2021, 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	937,584	1,419,646
Taxation from other governments	-	2,830
Amounts requisitioned and remitted	937,584	1,422,476

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

3. TRUST FUNDS

Trust funds administered by the Township amounting to \$315,971 (2020 - \$255,203) 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.



CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

4. 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:

	2021	2020
	\$	\$
Parkland	29,911	29,911
Development charges	1,771,873	1,231,416
Federal gas tax	864,382	367,455
	2,666,166	1,628,782

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

	2021	2020
	\$	\$
Balance - beginning of year	1,628,782	1,060,853
Add amounts received:		
Development charges received	540,456	650,901
Federal gas tax funding received	296,947	148,101
County share of Federal gas tax funding received	296,947	148,101
Interest	6,733	6,720
	1,141,083	953,823
Less transfer to operations:		
Gas tax funding earned	103,699	385,894
Balance - end of year	2,666,166	1,628,782

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

5. LONG TERM DEBT

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

	2021	2020
	\$	\$
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
Ontario Infrastructure and Lands Corporation debenture repayable in blended semi-annual installments of \$74,064 with interest at 2.05%, due September 2026	700,545	832,283
Ontario Infrastructure and Lands Corporation debenture repayable in blended semi-annual installments of \$62,347 with interest at 2.45%, due May 2027	637,973	745,065
Bank of Montreal term loan repayable in blended monthly installments of \$15,553 with interest at 4.51%, due November 2023	1,095,556	1,229,496
	2,434,074	2,999,133

- (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 \$90,779 (2020 - \$107,460).

- (d) The long term debt reported in (a) of this note is repayable as follows based on the current repayment terms:

	Principal	Interest	Total
	\$	\$	\$
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
2026	434,584	24,874	459,458
	2,044,902	252,388	2,297,290
2027 and subsequent years	389,172	15,342	404,514
	2,434,074	267,730	2,701,804

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

6. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The estimated liability for landfill closure and post-closure costs for the two sites the Township operates is \$3,329,300 (2020 - \$2,593,272). 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 (2020 - \$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 \$4,668,902 as at December 31, 2021 (2020 - \$3,690,314). The remaining capacity of the landfill sites is estimated at 39,293 m³ (2020 - 40,750 m³) which is 30% (2020 - 31%) 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 2.85% and inflation rate of 3%. The landfill sites are expected to reach their capacity in 19 and 33 years.

7. 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 \$255,940 (2020 - \$279,388). 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 2.85% and inflation of 3%. This liability is expected to continue until 2037 or until the retirees are deceased.

8. 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 2021 Annual Report disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets of \$117,665 million indicating an actuarial deficit of \$3,131 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 2021 were \$156,880 (2020 - \$147,123).

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

9. TANGIBLE CAPITAL ASSETS

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

	2021	2020
	\$	\$
General		
Land	1,027,298	1,027,298
Land improvements	960,207	644,575
Buildings	5,624,147	5,675,774
Equipment	1,254,709	1,216,756
Vehicles	1,277,605	1,188,372
Infrastructure		
Roads and streetlights	10,076,728	10,648,102
Bridges and culverts	1,375,143	1,409,972
Water and sewer system	5,021,736	4,644,536
	26,617,573	26,455,385
Assets under construction	617,941	30,415
	27,235,514	26,485,800

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

During the year there were no write-downs of assets (2020 - \$Nil) and no interest capitalized (2020 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2021	2020
	\$	\$
General government	1,652,822	1,679,689
Protection services	1,733,752	1,579,496
Transportation services	13,866,194	14,311,689
Environmental services	6,949,327	6,166,660
Recreation and cultural services	3,025,624	2,739,201
Planning and development	7,795	9,065
	27,235,514	26,485,800

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

10. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2021	2020
	\$	\$
Surplus/(Deficit)		
Township	419,058	264,167
Unfunded landfill closure and post-closure liability	(3,329,300)	(2,593,272)
Unfunded retirement benefits liability	(255,940)	(279,388)
Long term debt supporting operations	(1,095,556)	(1,229,496)
Library	3,847	(32,879)
Arena	18,040	(72,459)
Business Improvement Area	9,365	8,318
	(4,230,486)	(3,935,009)
Invested In Capital Assets		
Tangible capital assets - net book value	27,235,514	26,485,800
Long term debt	(1,338,518)	(1,769,636)
Unfunded capital (note 10(b))	(703,850)	(858,436)
	25,193,146	23,857,728
Surplus	20,962,660	19,922,719
Reserves		
Working funds	400,050	400,050
Efficiency funding	323,402	446,357
Library operations	3,000	3,000
Arena working funds	-	16,593
Business Improvement Area	6,700	6,700
Total Reserves	733,152	872,700
Reserve Funds		
Future capital	3,217,262	2,420,174
	24,913,074	23,215,593

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

10. 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:

	2021	2020
	\$	\$
Springbrook Road	(553,441)	(638,441)
Ridge Road	-	(39,497)
Swinburne Lane	(132,556)	(136,195)
Streetlights	120	(26,330)
Arena	(17,973)	(17,973)
	(703,850)	(858,436)

11. EXPENSES BY OBJECT

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

	Budget 2021	Actual 2021	Actual 2020
	\$	\$	\$
	(Unaudited)		
Salaries and benefits	2,846,103	2,810,998	2,604,083
Interest charges	37,602	90,779	107,460
Materials	3,871,807	3,022,563	2,704,523
Contracted services	932,862	1,589,583	2,802,736
Rents and financial	52,910	51,085	50,924
External transfers	56,260	56,259	53,554
Amortization	1,099,078	1,152,045	1,105,269
Loss (gain) on disposal of tangible capital assets	(63,800)	(30,000)	33,907
	8,832,822	8,743,312	9,462,456

12. BUDGET FIGURES

The budget, approved by the Township, for 2021 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.

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

13. 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.

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

14. 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, 2021

	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	1,134,357	8,743,841	2,412,655	2,659,841	18,063,000	2,696,451	5,487,473	30,415	42,255,331
Add: additions during the year	-	339,763	130,192	168,325	219,805	-	-	456,148	587,526	1,901,759
Less: disposals during the year	-	-	-	9,434	50,575	-	-	-	-	60,009
Balance, end of year	1,027,298	1,474,120	8,874,033	2,571,546	2,829,071	18,063,000	2,696,451	5,943,621	617,941	44,097,081
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	489,782	3,068,067	1,195,899	1,471,469	7,414,898	1,286,479	842,937	-	15,769,531
Add: additions during the year	-	24,131	181,819	130,372	130,572	571,374	34,829	78,948	-	1,152,045
Less: disposals during the year	-	-	-	9,434	50,575	-	-	-	-	60,009
Balance, end of year	-	513,913	3,249,886	1,316,837	1,551,466	7,986,272	1,321,308	921,885	-	16,861,567
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,027,298	960,207	5,624,147	1,254,709	1,277,605	10,076,728	1,375,143	5,021,736	617,941	27,235,514

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2021

	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	80,112	1,575,131	3,227,804	-	-	45,650	527,522	-	5,456,219
User charges	49,729	1,171,234	26,627	1,342,334	186,816	17,490	138,647	20,086	2,952,963
Government transfers - operating	868,963	6,250	88,537	-	-	-	8,810	9,767	982,327
Government transfers - capital	-	43,655	49,464	-	-	-	167,590	-	260,709
Other municipalities	-	197,136	-	-	-	-	199,610	-	396,746
Penalties and interest on taxes	143,076	-	-	-	-	-	-	-	143,076
Investment income	36,162	-	-	-	-	-	532	84	36,778
Donations	-	-	-	-	-	-	7,613	-	7,613
Other grants	36,364	-	-	-	-	-	64,299	-	100,663
Federal gas tax earned	-	-	103,699	-	-	-	-	-	103,699
Total revenues	1,214,406	2,993,406	3,496,131	1,342,334	186,816	63,140	1,114,623	29,937	10,440,793
Expenses									
Salaries and benefits	567,455	753,070	710,077	332,343	58,882	1,806	386,115	1,250	2,810,998
Interest charges	12,978	39,718	17,602	20,481	-	-	-	-	90,779
Materials	171,307	277,533	1,461,854	497,832	79,689	39,892	468,397	26,059	3,022,563
Contracted services	56,781	362,786	40,766	45,614	1,013,317	23,999	46,497	(177)	1,589,583
Rents and financial	-	50,594	146	345	-	-	-	-	51,085
External transfers	-	56,259	-	-	-	-	-	-	56,259
Amortization	26,868	90,069	775,163	123,278	8,658	-	126,739	1,270	1,152,045
Loss (gain) on disposal of tangible capital assets	-	(30,000)	-	-	-	-	-	-	(30,000)
Total expenses	835,389	1,600,029	3,005,608	1,019,893	1,160,546	65,697	1,027,748	28,402	8,743,312
Net surplus/(deficit)	379,017	1,393,377	490,523	322,441	(973,730)	(2,557)	86,875	1,535	1,697,481

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	673,213	30,125	1,286,459	163,895	11,939	159,024	13,672	2,438,759
Government transfers - operating	95,979	334,084	438,933	-	12,993	3,008	100,755	23,859	1,009,611
Government transfers - capital	-	-	77,227	-	-	-	70,208	-	147,435
Other municipalities	-	172,853	-	-	-	-	193,327	-	366,180
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	-	-	-	-	-	-	2,982	-	2,982
Federal gas tax earned	-	-	385,894	-	-	-	-	-	385,894
Total revenues	646,477	2,633,479	3,627,842	1,286,459	439,044	33,089	1,098,399	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	43,674	1,481,660	39,405	62,558	1,120,420	31,288	23,300	431	2,802,736
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	790,625	2,633,479	2,994,413	939,145	1,194,853	32,688	811,318	65,936	9,462,457
Net surplus/(deficit)	(144,148)	-	633,429	347,314	(755,809)	401	287,081	5,264	373,532

INDEPENDENT AUDITOR'S REPORT

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

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, 2021, 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 financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2021, 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
November 10, 2023

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2021

	Cemetery Perpetual Care \$	Cemetery Monument Care \$	Wellman's Cemetery Perpetual Care \$	Twelfth Line Cemetery \$	Mount Nebo Cemetery Monument Mtce \$	Mount Nebo Cemetery Perpetual Care \$	2021 Total \$	2020 Total \$
FINANCIAL ASSETS								
Investments (note 3)	193,518	32,491	40,743	11,138	10,500	26,861	315,251	254,483
<u>Due from Township</u>	720	-	-	-	-	-	720	720
	194,238	32,491	40,743	11,138	10,500	26,861	315,971	255,203
FUND BALANCES								
Capital	172,039	28,890	40,162	10,995	10,365	26,515	288,966	226,882
<u>Operating</u>	22,199	3,601	581	143	135	346	27,005	28,321
	194,238	32,491	40,743	11,138	10,500	26,861	315,971	255,203

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, 2021**

	Cemetery Perpetual Care \$	Cemetery Monument Care \$	Wellman's Cemetery Perpetual Care \$	Twelfth Line Cemetery \$	Mount Nebo Cemetery Monument Mtce \$	Mount Nebo Cemetery Perpetual Care \$	2021 Total \$	2020 Total \$
BALANCES - beginning of year	186,459	30,814	37,930	-	-	-	255,203	245,350
RECEIPTS								
Investment income	3,159	527	578	143	135	346	4,888	7,313
Perpetual care fees	4,620	1,150	3,550	10,995	10,365	26,515	57,195	2,540
	7,779	1,677	4,128	11,138	10,500	26,861	62,083	9,853
EXPENSES								
Transfer to Wellman's cemetery	-	-	1,315	-	-	-	1,315	-
BALANCES - end of year	194,238	32,491	40,743	11,138	10,500	26,861	315,971	255,203

The accompanying notes are an integral part of these financial statements



CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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.

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

The Mount Nebo Cemetery Monument Maintenance Fund administered by the Township is funded by the sale of Mount Nebo Cemetery plots and niches. These funds are invested and earnings derived there from are used to perform perpetual care maintenance to the Mount Nebo Cemetery. The operations and investments of the Fund are undertaken by the Township in accordance with the regulations of the Cemeteries Act.

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

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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.

3. INVESTMENTS

Investments consist of the following investments recorded at cost:

	Market Value \$	2021 Cost \$	2020 Cost \$
Scotiabank Bond Common Trust Fund			
Cemetery Perpetual Care	182,736	193,518	185,739
Cemetery Monument Care	30,759	32,491	30,814
Wellman's Cemetery Perpetual Care	38,594	40,743	37,930
Twelfth line Cemetery	10,925	11,138	-
Mount Nebo Cemetery Monument Mtce	10,299	10,500	-
Mount Nebo Cemetery Perpetual Care	26,349	26,861	-
	<hr/>	<hr/>	<hr/>
	299,662	315,251	254,483

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

STIRLING-RAWDON PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2021

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, 2021, 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, 2021, 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, 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
November 10, 2023

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

STIRLING-RAWDON PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	13,536	8,131
Accounts receivable	3,284	7,677
Due from Township of Stirling-Rawdon (note 5)	2,399	-
TOTAL FINANCIAL ASSETS	19,219	15,808
LIABILITIES		
Accounts payable	3,617	4,694
Due to Township of Stirling-Rawdon (note 5)	-	32,112
TOTAL LIABILITIES	3,617	36,806
NET FINANCIAL ASSETS/(NET DEBT)	15,602	(20,998)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	229,184	240,576
Prepaid expenses	242	236
TOTAL NON-FINANCIAL ASSETS	229,426	240,812
ACCUMULATED SURPLUS (note 3)	245,028	219,814

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Municipal contributions (note 5)	208,309	207,628	200,130
Province of Ontario	8,810	8,810	8,810
Other grants	2,152	2,152	1,981
Donations	3,000	5,113	5,026
Investment income	150	145	111
User charges	4,500	4,186	4,532
Good Food Box program	-	1,286	1,920
TOTAL REVENUES	226,921	229,320	222,510
EXPENSES			
Salaries and benefits	146,500	143,823	132,863
Office and administration	9,870	11,600	9,988
Training	1,400	720	720
Insurance	8,100	8,100	6,771
Maintenance and utilities	18,300	15,025	15,557
Periodicals and audio/visual	2,600	3,495	4,552
Good Food Box program	-	1,286	1,971
Amortization	20,167	20,057	20,167
TOTAL EXPENSES	206,937	204,106	192,589
ANNUAL SURPLUS	<u>19,984</u>	25,214	29,921
ACCUMULATED SURPLUS - beginning of year		219,814	189,893
ACCUMULATED SURPLUS - end of year		245,028	219,814

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
ANNUAL SURPLUS	19,984	25,214	29,921
Amortization of tangible capital assets	20,167	20,057	20,167
Acquisition of tangible capital assets	(9,000)	(8,665)	(41,453)
Change in prepaid expenses	-	(6)	111
CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)	31,151	36,600	8,746
NET DEBT - beginning of year	(20,998)	(20,998)	(29,744)
NET FINANCIAL ASSETS/(NET DEBT) - end of year	10,153	15,602	(20,998)

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, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	25,214	29,921
Items not involving cash		
Amortization of tangible capital assets	20,057	20,167
Change in non-cash assets and liabilities		
Accounts receivable	4,393	7
Due from Township of Stirling-Rawdon	(2,399)	-
Prepaid expenses	(6)	111
Accounts payable	(1,077)	(171)
Due to Township of Stirling-Rawdon	(32,112)	(8,843)
Net change in cash from operating activities	14,070	41,192
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(8,665)	(41,453)
NET CHANGE IN CASH	5,405	(261)
CASH - beginning of year	8,131	8,392
CASH - end of year	13,536	8,131

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

STIRLING-RAWDON PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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, 2021

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 \$	2021 Totals \$	2020 Totals \$
COST					
Balance, beginning of year	536,900	58,805	13,508	609,213	580,550
Add: additions during the year	-	8,665	-	8,665	41,453
Less: disposals during the year	-	9,434	-	9,434	12,790
Balance, end of year	536,900	58,036	13,508	608,444	609,213
ACCUMULATED AMORTIZATION					
Balance, beginning of year	324,224	34,273	10,140	368,637	361,260
Add: additions during the year	10,640	8,291	1,126	20,057	20,167
Less: disposals during the year	-	9,434	-	9,434	12,790
Balance, end of year	334,864	33,130	11,266	379,260	368,637
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	202,036	24,906	2,242	229,184	240,576

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

STIRLING-RAWDON PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
Surplus/(Deficit)		
Operations	3,847	(32,879)
Invested In Capital Assets		
Tangible capital assets - net book value	229,184	240,576
Surplus	233,031	207,697
Reserve		
Working funds	3,000	3,000
Reserve Fund		
Future capital	8,997	9,117
	245,028	219,814

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2021 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.

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

STIRLING-RAWDON PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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:

	2021	2020
	\$	\$
Allocated costs:		
Insurance	8,100	6,771
Office and administration	3,495	3,561
	11,595	10,332

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, 2021

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, 2021, 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, 2021, 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/(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
November 10, 2023

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	135,520	14,685
Accounts receivable	53,685	32,994
TOTAL FINANCIAL ASSETS	189,205	47,679
LIABILITIES		
Accounts payable	15,384	9,883
Due to Township of Stirling-Rawdon (note 5)	160,545	82,429
Deferred revenue (note 7)	-	7,590
TOTAL LIABILITIES	175,929	99,902
NET FINANCIAL ASSETS/(NET DEBT)	13,276	(52,223)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	1,326,319	1,328,006
ACCUMULATED SURPLUS (note 3)	1,339,595	1,275,783

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Municipal contributions (note 5)	295,824	307,222	254,380
Federal grant	7,590	7,590	70,208
Other grants	400	62,147	826
User charges			
Ice rentals	132,500	95,103	110,048
Canteen rentals	2,477	2,558	1,800
Curling club rentals	11,000	10,165	18,657
Other fees and charges	18,991	24,483	14,062
Investment income	500	387	985
Donations	1,700	2,500	1,500
TOTAL REVENUES	470,982	512,155	472,466
EXPENSES			
Salaries and benefits	200,000	198,831	205,660
Utilities	123,700	81,396	87,132
Maintenance	42,750	48,914	35,408
Office and administration	4,500	4,823	4,559
Insurance	37,550	37,543	32,787
Other	6,140	10,413	16,034
Amortization	72,136	66,423	72,136
TOTAL EXPENSES	486,776	448,343	453,716
ANNUAL SURPLUS/(DEFICIT)	<u>(15,794)</u>	63,812	18,750
ACCUMULATED SURPLUS - beginning of year		1,275,783	1,257,033
ACCUMULATED SURPLUS - end of year		1,339,595	1,275,783

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
ANNUAL SURPLUS/(DEFICIT)	(15,794)	63,812	18,750
Amortization of tangible capital assets	72,136	66,423	72,136
Acquisition of tangible capital assets	-	(64,736)	(150,865)
CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)	56,342	65,499	(59,979)
NET FINANCIAL ASSETS/(NET DEBT) - beginning of year	(52,223)	(52,223)	7,756
NET FINANCIAL ASSETS/(NET DEBT) - end of year	4,119	13,276	(52,223)

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, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	63,812	18,750
Items not involving cash		
Amortization of tangible capital assets	66,423	72,136
Change in non-cash assets and liabilities		
Accounts receivable	(20,691)	20,004
Accounts payable	5,501	(49,603)
Due to Township of Stirling-Rawdon	78,116	15,690
Deferred revenue	(7,590)	(52,410)
Net change in cash from operating activities	185,571	24,567
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(64,736)	(150,865)
NET CHANGE IN CASH	120,835	(126,298)
CASH - beginning of year	14,685	140,983
CASH - end of year	135,520	14,685

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
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

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.

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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. TANGIBLE CAPITAL ASSETS

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

	Land \$	Building \$	Equipment \$	2021 Totals \$	2020 Totals \$
COST					
Balance, beginning of year	94,150	1,588,162	614,381	2,296,693	2,220,718
Add: additions during the year	-	53,859	10,877	64,736	150,865
Less: disposals during the year	-	-	-	-	74,890
Balance, end of year	94,150	1,642,021	625,258	2,361,429	2,296,693
ACCUMULATED AMORTIZATION					
Balance, beginning of year	-	671,234	297,453	968,687	971,441
Add: additions during the year	-	39,745	26,678	66,423	72,136
Less: disposals during the year	-	-	-	-	74,890
Balance, end of year	-	710,979	324,131	1,035,110	968,687
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	94,150	931,042	301,127	1,326,319	1,328,006

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
Surplus/(Deficit)		
Operations	18,040	(72,459)
Invested In Capital Assets		
Tangible capital assets - net book value	1,326,319	1,328,006
Unfunded capital	(17,973)	(17,973)
	1,308,346	1,310,033
Surplus	1,326,386	1,237,574
Reserve		
Working funds	-	16,593
Reserve Fund		
Future capital	13,209	21,616
	1,339,595	1,275,783

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2021 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.

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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. For 2021, the contribution was \$113,360 (2020 - \$97,457) which is included in municipal contributions on the Statement of Operations and Accumulated Surplus.

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

	2021	2020
	\$	\$
Allocated costs:		
Insurance	37,543	32,787
Water and sewer	3,755	3,518
	41,298	36,305

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.

6. 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, 2021 was \$10,165 (2020 - \$18,657).

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

7. DEFERRED REVENUE

Included in deferred revenue are the following amounts:

	2021	2020
	\$	\$
New Horizons	-	7,590

The continuity of deferred revenue is as follows:

	2021	2020
	\$	\$
Balance - beginning of year	7,590	60,000
Add: New Horizons	-	17,798
Less amounts earned:		
Employment and Social Development Canada federal grant	-	60,000
New Horizons	7,590	10,208
	7,590	70,208
Balance - end of year	-	7,590

8. 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, 2021

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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Qualified 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, 2021, 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, 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, 2021, 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 special events, 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 special events 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
November 10, 2023

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

STIRLING-RAWDON BUSINESS IMPROVEMENT AREA STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	16,875	13,206
Accounts receivable	1,325	1,574
TOTAL FINANCIAL ASSETS	18,200	14,780
LIABILITIES		
Accounts payable	2,385	44
NET FINANCIAL ASSETS	15,815	14,736
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	7,795	9,065
Prepays	250	282
TOTAL NON-FINANCIAL ASSETS	8,045	9,347
ACCUMULATED SURPLUS (note 4)	23,860	24,083

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Municipal contributions (note 5)	7,500	7,500	7,500
Donations	-	-	2,000
Farmers' market	-	-	217
Investment income	72	84	146
Special events	440	620	440
TOTAL REVENUES	8,012	8,204	10,303
EXPENSES			
Special events	14,703	847	2,644
Streetscape	1,500	2,235	1,486
Decorations	-	105	44
Parade	4,500	1,943	-
Administration	230	-	231
Farmers' market	-	2,027	1,643
Amortization	311	1,270	311
TOTAL EXPENSES	21,244	8,427	6,359
ANNUAL SURPLUS/(DEFICIT)	<u>(13,232)</u>	(223)	3,944
ACCUMULATED SURPLUS - beginning of year		24,083	20,139
ACCUMULATED SURPLUS - end of year		23,860	24,083

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
ANNUAL SURPLUS/(DEFICIT)	(13,232)	(223)	3,944
Amortization of tangible capital assets	311	1,270	311
Acquisition of tangible capital assets	-	-	(5,228)
Change in prepaids	-	32	(282)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(12,921)	1,079	(1,255)
NET FINANCIAL ASSETS - beginning of year	14,736	14,736	15,991
NET FINANCIAL ASSETS - end of year	1,815	15,815	14,736

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, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	(223)	3,944
Items not involving cash		
Amortization of tangible capital assets	1,270	311
Change in non-cash assets and liabilities		
Accounts receivable	249	(1,107)
Prepays	32	(282)
Accounts payable	2,341	44
Net change in cash from operating activities	3,669	2,910
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	-	(5,228)
NET CHANGE IN CASH	3,669	(2,318)
CASH - beginning of year	13,206	15,524
CASH - end of year	16,875	13,206

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

STIRLING-RAWDON BUSINESS IMPROVEMENT AREA NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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.

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

**STIRLING-RAWDON BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

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:

	2021 Equipment \$	2020 Equipment \$
COST		
Balance, beginning of year	9,712	4,484
Add: additions during the year	-	5,228
Balance, end of year	9,712	9,712
ACCUMULATED AMORTIZATION		
Balance, beginning of year	647	336
Add: additions during the year	1,270	311
Balance, end of year	1,917	647
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	7,795	9,065

3. BUDGET FIGURES

The operating budget, approved by the Board, for 2021 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.



CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

STIRLING-RAWDON BUSINESS IMPROVEMENT AREA NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
Surplus		
Operations	9,365	8,318
Invested In Capital Assets		
Tangible capital assets - net book value	7,795	9,065
Surplus	17,160	17,383
Reserve		
Working fund	6,700	6,700
	23,860	24,083

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 2021 and 2020.

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.