

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

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

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## CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

For The Year Ended December 31, 2022

### MANAGEMENT REPORT

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

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

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

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

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

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

Mayor

CAO-Treasurer

November 16, 2023

**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, 2022, 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, 2022, 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 16, 2023

# CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2022

	2022	2021
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	3,083,948	5,676,377
Accounts receivable	1,906,468	1,305,566
Taxes receivable	1,290,474	1,075,508
<b>TOTAL FINANCIAL ASSETS</b>	<b>6,280,890</b>	<b>8,057,451</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	2,139,128	1,639,991
Deferred revenue - obligatory reserve funds (note 4)	1,457,568	2,666,166
Deferred revenue - other	70,657	87,202
Long term debt (note 5)	2,049,782	2,434,074
Landfill closure and post-closure liability (note 6)	2,186,800	3,329,300
Retirement benefits payable (note 7)	195,824	255,940
<b>TOTAL LIABILITIES</b>	<b>8,099,759</b>	<b>10,412,673</b>
<b>NET DEBT</b>	<b>(1,818,869)</b>	<b>(2,355,222)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 9)	30,611,478	27,235,514
Prepaid expenses	28,601	32,782
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>30,640,079</b>	<b>27,268,296</b>
<b>ACCUMULATED SURPLUS (note 10)</b>	<b>28,821,210</b>	<b>24,913,074</b>

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
<b>REVENUES</b>			
Property taxation	5,402,525	5,548,042	5,456,219
User charges	2,566,127	2,890,075	2,952,963
Government of Canada	480,000	213,353	7,590
Province of Ontario	1,530,433	1,311,690	1,235,446
Other municipalities	337,750	338,844	396,746
Penalties and interest on taxes	143,000	157,450	143,076
Investment income	30,675	77,260	36,778
Donations	4,500	5,806	7,613
Other grants	2,580	3,088	100,663
Developer contributions earned	-	966,697	-
Canada Community Building Fund	860,000	860,000	103,699
<b>TOTAL REVENUES</b>	<b>11,357,590</b>	<b>12,372,305</b>	<b>10,440,793</b>
<b>EXPENSES</b>			
General government	924,411	893,195	830,413
Protection services	2,068,890	2,135,848	1,605,005
Transportation services	4,092,989	3,784,370	3,005,608
Environmental services	1,658,185	428,976	2,180,439
Health services	38,650	38,980	65,697
Recreation and cultural services	1,019,601	1,135,241	1,027,748
Planning and development	65,904	47,559	28,402
<b>TOTAL EXPENSES</b>	<b>9,868,630</b>	<b>8,464,169</b>	<b>8,743,312</b>
<b>ANNUAL SURPLUS</b>	<b><u>1,488,960</u></b>	<b>3,908,136</b>	<b>1,697,481</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>24,913,074</b>	<b>23,215,593</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>28,821,210</b>	<b>24,913,074</b>

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
<b>ANNUAL SURPLUS</b>	1,488,960	3,908,136	1,697,481
Amortization of tangible capital assets	1,145,543	1,209,932	1,152,045
Purchase of tangible capital assets	(4,034,230)	(4,719,545)	(1,901,759)
Loss/(gain) on disposal of tangible capital assets	-	66,927	(30,000)
Proceeds on sale of tangible capital assets	-	66,722	30,000
Change in prepaid expenses	-	4,181	(24,931)
<b>CHANGE IN NET DEBT</b>	(1,399,727)	536,353	922,836
<b>NET DEBT - beginning of year</b>	(3,278,058)	(2,355,222)	(3,278,058)
<b>NET DEBT - end of year</b>	(4,677,785)	(1,818,869)	(2,355,222)

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, 2022

	2022	2021
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	3,908,136	1,697,481
Items not involving cash		
Amortization of tangible capital assets	1,209,932	1,152,045
Loss/(gain) on disposal of tangible capital assets	66,927	(30,000)
Change in landfill liability	(1,142,500)	736,028
Change in non-cash assets and liabilities		
Accounts receivable	(600,902)	(17,358)
Taxes receivable	(214,966)	(48,165)
Prepaid expenses	4,181	(24,931)
Accounts payable and accrued liabilities	499,137	448,789
Deferred revenue - obligatory reserve funds	(1,208,598)	1,037,384
Deferred revenue - other	(16,545)	(83,243)
Retirement benefits payable	(60,116)	(23,448)
Net change in cash from operating activities	2,444,686	4,844,582
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(4,719,545)	(1,901,759)
Proceeds on disposal of tangible capital assets	66,722	30,000
Net change in cash from capital activities	(4,652,823)	(1,871,759)
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments	(384,292)	(565,059)
<b>NET CHANGE IN CASH</b>	<b>(2,592,429)</b>	<b>2,407,764</b>
<b>CASH - beginning of year</b>	<b>5,676,377</b>	<b>3,268,613</b>
<b>CASH - end of year</b>	<b>3,083,948</b>	<b>5,676,377</b>

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, 2022

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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, 2022

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### 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.

Canada Community Building Fund 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.

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# CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

### 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 2022, 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	955,089	1,493,916
Taxation from other governments	-	2,903
<b>Amounts requisitioned and remitted</b>	<b>955,089</b>	<b>1,496,819</b>

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 \$321,035 (2021 - \$315,971) 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, 2022

### 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:

	2022	2021
	\$	\$
Parkland	29,911	29,911
Development charges	1,090,883	1,771,873
Canada Community Building Fund	336,774	864,382
	1,457,568	2,666,166

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

	2022	2021
	\$	\$
Balance - beginning of year	2,666,166	1,628,782
Add amounts received:		
Development charges received	285,708	540,456
Canada Community Building Fund funding received	302,935	296,947
County share of Canada Community Building Fund received	-	296,947
Interest	29,456	6,733
	618,099	1,141,083
Less transfer to operations:		
Development charges earned	966,697	-
Canada Community Building fund funding earned	860,000	103,699
	1,826,697	103,699
Balance - end of year	1,457,568	2,666,166

# CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

### 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:

	2022	2021
	\$	\$
Ontario Infrastructure and Lands Corporation debenture repayable in blended semi-annual installments of \$74,064 with interest at 2.05%, due September 2026	566,092	700,545
Ontario Infrastructure and Lands Corporation debenture repayable in blended semi-annual installments of \$62,347 with interest at 2.45%, due May 2027	528,242	637,973
Bank of Montreal term loan repayable in blended monthly installments of \$15,553 with interest at 4.51%, due November 2023	955,448	1,095,556
	<b>2,049,782</b>	<b>2,434,074</b>

- (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 \$75,786 (2021 - \$90,779).
- (d) The long term debt reported in (a) of this note is repayable as follows based on the current repayment terms:

	Principal	Interest	Total
	\$	\$	\$
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
2027	237,061	11,922	248,983
	1,897,671	189,144	2,086,815
2028 and subsequent years	152,111	3,420	155,531
	<b>2,049,782</b>	<b>192,564</b>	<b>2,242,346</b>

# CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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### 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 \$2,328,000 (2021 - \$3,329,300). 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 (2021 - \$3,703) and the remaining landfill closure and post-closure liability will be funded from taxation.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining life of the landfills. The total discounted future cash flows for closure and post-closure cost is estimated at \$3,152,829 as at December 31, 2022 (2021 - \$4,668,902). The remaining capacity of the landfill sites is estimated at 37,836 m<sup>3</sup> (2021 - 39,293 m<sup>3</sup>) which is 29% (2021 - 30%) 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 4.73% 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 \$195,824 (2021 - \$255,940). 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 4.73% 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 2022 Annual Report disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with actuarial assets of \$123,628 million indicating an actuarial deficit of \$6,678 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 2022 were \$156,336 (2021 - \$156,880).

# CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

### 9. TANGIBLE CAPITAL ASSETS

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

	2022	2021
	\$	\$
General		
Land	1,027,298	1,027,298
Land improvements	1,017,254	960,207
Buildings	7,586,389	5,624,147
Equipment	1,086,634	1,254,709
Vehicles	1,713,556	1,277,605
Infrastructure		
Roads and streetlights	9,731,779	10,076,728
Bridges and culverts	1,340,969	1,375,143
Water and sewer system	5,027,905	5,021,736
	28,531,784	26,617,573
Assets under construction	2,079,694	617,941
	30,611,478	27,235,514

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

During the year there were no write-downs of assets (2021 - \$Nil) and no interest capitalized (2021 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2022	2021
	\$	\$
General government	1,625,952	1,652,822
Protection services	2,237,126	1,733,752
Transportation services	14,640,714	13,866,194
Environmental services	9,108,841	6,949,327
Recreation and cultural services	2,992,319	3,025,624
Planning and development	6,526	7,795
	30,611,478	27,235,514



# CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

### 10. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2022	2021
	\$	\$
<b>Surplus/(Deficit)</b>		
Township	(26,159)	419,058
Unfunded landfill closure and post-closure liability	(2,186,800)	(3,329,300)
Unfunded retirement benefits liability	(195,824)	(255,940)
Long term debt supporting operations	(955,448)	(1,095,556)
Library	1,142	3,847
Arena	(29,554)	18,040
Business Improvement Area	8,720	9,365
	<b>(3,383,923)</b>	<b>(4,230,486)</b>
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	30,611,478	27,235,514
Long term debt	(1,094,334)	(1,338,518)
Unfunded capital (note 10(b))	(822,572)	(703,850)
	<b>28,694,572</b>	<b>25,193,146</b>
<b>Surplus</b>	<b>25,310,649</b>	<b>20,962,660</b>
<b>Reserves</b>		
Working funds	400,045	400,050
Efficiency funding	37,640	323,402
Library operations	3,000	3,000
Business Improvement Area	6,700	6,700
<b>Total Reserves</b>	<b>447,385</b>	<b>733,152</b>
<b>Reserve Funds</b>		
Future capital	3,063,176	3,217,262
	<b>28,821,210</b>	<b>24,913,074</b>

# CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

### 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:

	2022	2021
	\$	\$
Sewer/lagoon expansion	(225,213)	-
Springbrook Road	(468,441)	(553,441)
Swinburne Lane	(128,918)	(132,556)
Streetlights	-	120
Arena	-	(17,973)
	<b>(822,572)</b>	<b>(703,850)</b>

### 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 2022	Actual 2022	Actual 2021
	\$	\$	\$
	(Unaudited)		
Salaries and benefits	2,999,834	2,866,085	2,736,022
Interest charges	81,780	75,786	90,779
Materials	4,285,178	3,821,229	3,022,386
Contracted services	971,287	910,050	853,732
Rents and financial	55,410	47,698	51,085
External transfers	329,598	509,598	131,235
Amortization	1,145,543	1,209,932	1,152,045
Loss (gain) on disposal of tangible capital assets	-	66,927	(30,000)
Change in landfill closure and post closure costs	-	(1,043,136)	736,028
	<b>9,868,630</b>	<b>8,464,169</b>	<b>8,743,312</b>

### 12. BUDGET FIGURES

The budget, approved by the Township, for 2022 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, 2022

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### 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

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2022

	General					Infrastructure			Assets Under Construction \$	Totals \$
	Land \$	Land Improvements \$	Buildings \$	Equipment \$	Vehicles \$	Roads and Streetlights \$	Bridges and Culverts \$	Water and Sewer System \$		
<b>COST</b>										
Balance, beginning of year	1,027,298	1,474,120	8,874,033	2,571,546	2,879,646	18,063,000	2,696,451	5,943,621	617,941	44,147,656
Add: additions during the year	-	85,224	1,791,502	65,848	612,595	218,323	-	86,267	1,859,786	4,719,545
Less: disposals during the year	-	-	-	330,531	199,287	-	-	-	-	529,818
Internal transfers	-	-	398,033	-	-	-	-	-	(398,033)	-
<b>Balance, end of year</b>	<b>1,027,298</b>	<b>1,559,344</b>	<b>11,063,568</b>	<b>2,306,863</b>	<b>3,292,954</b>	<b>18,281,323</b>	<b>2,696,451</b>	<b>6,029,888</b>	<b>2,079,694</b>	<b>48,337,383</b>
<b>ACCUMULATED AMORTIZATION</b>										
Balance, beginning of year	-	513,913	3,249,886	1,316,837	1,602,041	7,986,272	1,321,308	921,885	-	16,912,142
Add: additions during the year	-	28,177	227,293	122,537	154,381	563,272	34,174	80,098	-	1,209,932
Less: disposals during the year	-	-	-	219,145	177,024	-	-	-	-	396,169
<b>Balance, end of year</b>	<b>-</b>	<b>542,090</b>	<b>3,477,179</b>	<b>1,220,229</b>	<b>1,579,398</b>	<b>8,549,544</b>	<b>1,355,482</b>	<b>1,001,983</b>	<b>-</b>	<b>17,725,905</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>1,027,298</b>	<b>1,017,254</b>	<b>7,586,389</b>	<b>1,086,634</b>	<b>1,713,556</b>	<b>9,731,779</b>	<b>1,340,969</b>	<b>5,027,905</b>	<b>2,079,694</b>	<b>30,611,478</b>

# CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2022

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>									
Property taxation	303,976	1,328,294	3,215,256	-	-	28,650	616,837	55,029	5,548,042
User charges	34,359	1,012,982	11,606	1,417,163	179,437	16,974	196,511	21,043	2,890,075
Government transfers - operating	913,242	5,351	-	-	-	-	8,810	-	927,403
Government transfers - capital	-	-	211,162	380,896	-	-	5,582	-	597,640
Other municipalities	-	204,402	-	-	-	-	134,442	-	338,844
Penalties and interest on taxes	157,450	-	-	-	-	-	-	-	157,450
Investment income	74,720	-	-	-	-	-	2,203	337	77,260
Donations	-	-	-	-	-	-	5,806	-	5,806
Other grants	-	-	-	-	-	-	3,088	-	3,088
Developer contributions earned	-	-	551,899	414,798	-	-	-	-	966,697
Federal gas tax earned	-	-	860,000	-	-	-	-	-	860,000
<b>Total revenues</b>	<b>1,483,747</b>	<b>2,551,029</b>	<b>4,849,923</b>	<b>2,212,857</b>	<b>179,437</b>	<b>45,624</b>	<b>973,279</b>	<b>76,409</b>	<b>12,372,305</b>
<b>Expenses</b>									
Salaries and benefits	580,406	724,817	737,322	351,832	54,503	2,003	414,052	1,150	2,866,085
Interest charges	11,459	35,084	14,962	13,676	-	-	605	-	75,786
Materials	212,658	413,284	2,030,261	476,890	109,699	1,456	533,482	43,499	3,821,229
Contracted services	61,804	295,921	154,405	103,122	197,421	35,521	60,216	1,640	910,050
Rents and financial	-	47,547	-	151	-	-	-	-	47,698
External transfers	-	509,598	-	-	-	-	-	-	509,598
Amortization	26,868	122,834	767,256	153,818	11,000	-	126,886	1,270	1,209,932
Loss (gain) on disposal of tangible capital assets	-	(13,237)	80,164	-	-	-	-	-	66,927
Change in landfill closure and post closure costs	-	-	-	-	(1,043,136)	-	-	-	(1,043,136)
<b>Total expenses</b>	<b>893,195</b>	<b>2,135,848</b>	<b>3,784,370</b>	<b>1,099,489</b>	<b>(670,513)</b>	<b>38,980</b>	<b>1,135,241</b>	<b>47,559</b>	<b>8,464,169</b>
<b>Net surplus/(deficit)</b>	<b>590,552</b>	<b>415,181</b>	<b>1,065,553</b>	<b>1,113,368</b>	<b>849,950</b>	<b>6,644</b>	<b>(161,962)</b>	<b>28,850</b>	<b>3,908,136</b>

# 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 \$
<b>Revenues</b>									
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	200,794	20,086	3,015,110
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	-	-	-	-	-	2,152	-	38,516
Federal gas tax earned	-	-	103,699	-	-	-	-	-	103,699
<b>Total revenues</b>	<b>1,214,406</b>	<b>2,993,406</b>	<b>3,496,131</b>	<b>1,342,334</b>	<b>186,816</b>	<b>63,140</b>	<b>1,114,623</b>	<b>29,937</b>	<b>10,440,793</b>
<b>Expenses</b>									
Salaries and benefits	562,479	683,070	710,077	332,343	58,882	1,806	386,115	1,250	2,736,022
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	25,882	3,022,386
Contracted services	56,781	362,786	40,766	45,614	277,289	23,999	46,497	-	853,732
Rents and financial	-	50,594	146	345	-	-	-	-	51,085
External transfers	-	131,235	-	-	-	-	-	-	131,235
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)
Change in landfill closure and post closure costs	-	-	-	-	736,028	-	-	-	736,028
<b>Total expenses</b>	<b>830,413</b>	<b>1,605,005</b>	<b>3,005,608</b>	<b>1,019,893</b>	<b>1,160,546</b>	<b>65,697</b>	<b>1,027,748</b>	<b>28,402</b>	<b>8,743,312</b>
<b>Net surplus/(deficit)</b>	<b>383,993</b>	<b>1,388,401</b>	<b>490,523</b>	<b>322,441</b>	<b>(973,730)</b>	<b>(2,557)</b>	<b>86,875</b>	<b>1,535</b>	<b>1,697,481</b>

## **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, 2022, 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, 2022, 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 16, 2023



# CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

## TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2022

	Cemetery Perpetual Care \$	Cemetery Monument Care \$	Wellman's Cemetery Perpetual Care \$	Twelfth Line Cemetery \$	Mount Nebo Cemetery Monument Mtce \$	Mount Nebo Cemetery Perpetual Care \$	2022 Total \$	2021 Total \$
<b>FINANCIAL ASSETS</b>								
Investments (note 3)	196,235	32,862	41,399	11,174	11,184	27,461	320,315	315,251
<u>Due from Township</u>	720	-	-	-	-	-	720	720
	196,955	32,862	41,399	11,174	11,184	27,461	321,035	315,971
<b>FUND BALANCES</b>								
Capital	172,000	28,875	40,162	10,847	10,865	26,665	289,414	288,966
<u>Operating</u>	24,955	3,987	1,237	327	319	796	31,621	27,005
	196,955	32,862	41,399	11,174	11,184	27,461	321,035	315,971

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, 2022**

	Cemetery Perpetual Care \$	Cemetery Monument Care \$	Wellman's Cemetery Perpetual Care \$	Twelfth Line Cemetery \$	Mount Nebo Cemetery Monument Mtce \$	Mount Nebo Cemetery Perpetual Care \$	2022 Total \$	2021 Total \$
<b>BALANCES - beginning of year</b>	194,238	32,491	40,743	11,138	10,500	26,861	315,971	255,203
<b>RECEIPTS</b>								
Investment income	3,063	506	656	36	184	450	4,895	4,888
Perpetual care fees	-	-	-	-	500	150	650	57,195
	3,063	506	656	36	684	600	5,545	62,083
<b>EXPENSES</b>								
Transfer to Township	346	135	-	-	-	-	481	-
Transfer to Wellman's cemetery	-	-	-	-	-	-	-	1,315
	346	135	-	-	-	-	481	1,315
<b>BALANCES - end of year</b>	196,955	32,862	41,399	11,174	11,184	27,461	321,035	315,971

*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, 2022

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### 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 and 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, 2022

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### 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 \$	2022 Cost \$	2021 Cost \$
<b>Scotiabank Bond Common Trust Fund</b>			
Cemetery Perpetual Care	175,014	196,236	193,519
Cemetery Monument Care	29,381	32,861	32,491
Wellman's Cemetery Perpetual Care	37,037	41,399	40,743
Twelfth Line Cemetery	10,346	11,174	11,138
Mount Nebo Cemetery Monument Mtce	10,370	11,184	10,500
Mount Nebo Cemetery Perpetual Care	25,431	27,461	26,860
	<b>287,579</b>	<b>320,315</b>	<b>315,251</b>

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

**STIRLING-RAWDON PUBLIC LIBRARY BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**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](http://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, 2022, 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, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Basis for Qualified Opinion*

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

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

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

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

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

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

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
November 16, 2023

# CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

## STIRLING-RAWDON PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2022

	2022	2021
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	5,888	13,536
Accounts receivable	4,020	3,284
Due from Township	20,830	2,399
<b>TOTAL FINANCIAL ASSETS</b>	<b>30,738</b>	<b>19,219</b>
<b>LIABILITIES</b>		
Accounts payable	5,014	3,617
Deferred revenue (note 6)	12,540	-
<b>TOTAL LIABILITIES</b>	<b>17,554</b>	<b>3,617</b>
<b>NET FINANCIAL ASSETS</b>	<b>13,184</b>	<b>15,602</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 2)	217,482	229,184
Prepaid expenses	905	242
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>218,387</b>	<b>229,426</b>
<b>ACCUMULATED SURPLUS (note 3)</b>	<b>231,571</b>	<b>245,028</b>

*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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
<b>REVENUES</b>			
Municipal contributions (note 5)	180,157	180,157	207,628
Province of Ontario	8,810	8,810	8,810
Other grants	2,580	3,088	2,152
Donations	3,000	4,306	5,113
Investment income	100	320	145
User charges	4,100	5,856	4,186
Good Food Box program	-	2,255	1,286
<b>TOTAL REVENUES</b>	<b>198,747</b>	<b>204,792</b>	<b>229,320</b>
<b>EXPENSES</b>			
Salaries and benefits	151,000	152,226	143,823
Office and administration	15,459	11,614	11,600
Training	1,350	970	720
Insurance	9,160	9,157	8,100
Maintenance and utilities	18,400	19,339	15,025
Periodicals and audio/visual	2,500	2,631	3,495
Good Food Box program	-	2,255	1,286
Amortization	20,057	20,057	20,057
<b>TOTAL EXPENSES</b>	<b>217,926</b>	<b>218,249</b>	<b>204,106</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>(19,179)</u></b>	<b>(13,457)</b>	<b>25,214</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>245,028</b>	<b>219,814</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>231,571</b>	<b>245,028</b>

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 For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(19,179)	(13,457)	25,214
Amortization of tangible capital assets	20,057	20,057	20,057
Acquisition of tangible capital assets	(9,000)	(8,355)	(8,665)
Change in prepaid expenses	-	(663)	(6)
<b>CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)</b>	(8,122)	(2,418)	36,600
<b>NET FINANCIAL ASSETS/(NET DEBT) - beginning of     year</b>	15,602	15,602	(20,998)
<b>NET FINANCIAL ASSETS - end of year</b>	7,480	13,184	15,602

*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, 2022

	2022	2021
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus/(deficit)	(13,457)	25,214
Items not involving cash		
Amortization of tangible capital assets	20,057	20,057
Change in non-cash assets and liabilities		
Accounts receivable	(736)	4,393
Due from Township	(18,431)	(2,399)
Prepaid expenses	(663)	(6)
Accounts payable	1,397	(1,077)
Due to Township	-	(32,112)
Deferred revenue	12,540	-
Net change in cash from operating activities	707	14,070
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(8,355)	(8,665)
<b>NET CHANGE IN CASH</b>	(7,648)	5,405
<b>CASH - beginning of year</b>	13,536	8,131
<b>CASH - end of year</b>	5,888	13,536

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, 2022

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### 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, 2022

### 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.

(g) Deferred Revenue

Deferred revenue represents grants 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.

### 2. TANGIBLE CAPITAL ASSETS

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

	Buildings \$	Books \$	Furniture \$	2022 Totals \$	2021 Totals \$
<b>COST</b>					
Balance, beginning of year	536,900	58,036	13,508	608,444	609,213
Add: additions during the year	-	8,355	-	8,355	8,665
Less: disposals during the year	-	8,357	-	8,357	9,434
Balance, end of year	536,900	58,034	13,508	608,442	608,444
<b>ACCUMULATED AMORTIZATION</b>					
Balance, beginning of year	334,864	33,130	11,266	379,260	368,637
Add: additions during the year	10,640	9,417	-	20,057	20,057
Less: disposals during the year	-	8,357	-	8,357	9,434
Balance, end of year	345,504	34,190	11,266	390,960	379,260
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>191,396</b>	<b>23,844</b>	<b>2,242</b>	<b>217,482</b>	<b>229,184</b>

# CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

## STIRLING-RAWDON PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

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### 3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
<b>Surplus</b>		
Operations	1,142	3,847
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	217,482	229,184
<b>Surplus</b>	218,624	233,031
<b>Reserve</b>		
Working funds	3,000	3,000
<b>Reserve Fund</b>		
Future capital	9,947	8,997
	231,571	245,028

### 4. BUDGET FIGURES

The operating budget, approved by the Board, for 2022 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 PUBLIC LIBRARY BOARD  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended December 31, 2022**

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**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:

	2022	2021
	\$	\$
Allocated costs:		
Insurance	9,157	8,100
Office and administration	2,631	3,495
	11,788	11,595

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. DEFERRED REVENUE**

Deferred revenue consists of funding received in 2022 that will be spent in 2023 on establishing a 'Makerspace' passive programming area within the library.



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

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**



## **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**

### *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, 2022, 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, 2022, 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 16, 2023

# CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

## STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2022

	2022	2021
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	25,262	135,520
Accounts receivable	95,167	53,685
<b>TOTAL FINANCIAL ASSETS</b>	<b>120,429</b>	<b>189,205</b>
<b>LIABILITIES</b>		
Accounts payable	25,842	15,384
Due to Township of Stirling-Rawdon (note 5)	95,932	160,545
<b>TOTAL LIABILITIES</b>	<b>121,774</b>	<b>175,929</b>
<b>NET FINANCIAL ASSETS/(NET DEBT)</b>	<b>(1,345)</b>	<b>13,276</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 2)	1,261,454	1,326,319
<b>ACCUMULATED SURPLUS (note 3)</b>	<b>1,260,109</b>	<b>1,339,595</b>

*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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
<b>REVENUES</b>			
Municipal contributions (note 5)	217,878	223,681	307,222
Federal grant	-	5,582	7,590
Other grants	500	-	62,147
User charges			
Ice rentals	167,500	152,482	95,103
Canteen rentals	4,336	3,097	2,558
Curling club rentals	25,000	16,244	10,165
Other fees and charges	18,391	12,912	24,483
Investment income	500	1,883	387
Donations	1,500	1,500	2,500
<b>TOTAL REVENUES</b>	<b>435,605</b>	<b>417,381</b>	<b>512,155</b>
<b>EXPENSES</b>			
Salaries and benefits	204,000	219,529	198,831
Utilities	114,000	114,750	81,396
Maintenance	42,755	49,892	48,914
Office and administration	5,000	4,217	4,823
Insurance	46,950	43,293	37,543
Other	7,900	321	10,413
Amortization	66,423	64,865	66,423
<b>TOTAL EXPENSES</b>	<b>487,028</b>	<b>496,867</b>	<b>448,343</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>(51,423)</u></b>	<b>(79,486)</b>	<b>63,812</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>1,339,595</b>	<b>1,275,783</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>1,260,109</b>	<b>1,339,595</b>

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(51,423)	(79,486)	63,812
Amortization of tangible capital assets	66,423	64,865	66,423
Acquisition of tangible capital assets	-	-	(64,736)
<b>CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)</b>	15,000	(14,621)	65,499
<b>NET FINANCIAL ASSETS/(NET DEBT) - beginning of year</b>	13,276	13,276	(52,223)
<b>NET FINANCIAL ASSETS/(NET DEBT) - end of year</b>	28,276	(1,345)	13,276

*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, 2022

	2022	2021
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus/(deficit)	(79,486)	63,812
Items not involving cash		
Amortization of tangible capital assets	64,865	66,423
Change in non-cash assets and liabilities		
Accounts receivable	(41,482)	(20,691)
Accounts payable	10,458	5,501
Due to Township of Stirling-Rawdon	(64,613)	78,116
Deferred revenue	-	(7,590)
<b>Net change in cash from operating activities</b>	<b>(110,258)</b>	<b>185,571</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	-	(64,736)
<b>NET CHANGE IN CASH</b>	<b>(110,258)</b>	<b>120,835</b>
<b>CASH - beginning of year</b>	<b>135,520</b>	<b>14,685</b>
<b>CASH - end of year</b>	<b>25,262</b>	<b>135,520</b>

*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, 2022

---

### 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, 2022

### 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 \$	2022 Totals \$	2021 Totals \$
<b>COST</b>					
Balance, beginning of year	94,150	1,642,021	625,258	2,361,429	2,296,693
Add: additions during the year	-	-	-	-	64,736
Balance, end of year	94,150	1,642,021	625,258	2,361,429	2,361,429
<b>ACCUMULATED AMORTIZATION</b>					
Balance, beginning of year	-	710,979	324,131	1,035,110	968,687
Add: additions during the year	-	39,746	25,119	64,865	66,423
Balance, end of year	-	750,725	349,250	1,099,975	1,035,110
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>94,150</b>	<b>891,296</b>	<b>276,008</b>	<b>1,261,454</b>	<b>1,326,319</b>



# 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, 2022

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### 3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
<b>Surplus/(Deficit)</b>		
Operations	(29,554)	18,040
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	1,261,454	1,326,319
Unfunded capital	-	(17,973)
	1,261,454	1,308,346
<b>Surplus</b>	1,231,900	1,326,386
<b>Reserve Fund</b>		
Future capital	28,209	13,209
	1,260,109	1,339,595

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### 4. BUDGET FIGURES

The operating budget, approved by the Board, for 2022 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, 2022

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### 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 2022, the contribution was \$83,491 (2021 - \$113,360) which is included in municipal contributions on the Statement of Operations and Accumulated Surplus.

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

	2022	2021
	\$	\$
Allocated costs:		
Insurance	43,293	37,543
Water and sewer	14,665	3,755
	57,958	41,298

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, 2022 was \$16,244 (2021 - \$10,165).

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

**STIRLING-RAWDON BUSINESS IMPROVEMENT AREA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

## 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**

#### *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, 2022, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### *Basis for Opinion*

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

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

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

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

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

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
November 16, 2023

# CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

## STIRLING-RAWDON BUSINESS IMPROVEMENT AREA STATEMENT OF FINANCIAL POSITION At December 31, 2022

	2022	2021
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	12,666	16,875
Accounts receivable	2,709	1,325
<b>TOTAL FINANCIAL ASSETS</b>	15,375	18,200
<b>LIABILITIES</b>		
Accounts payable	205	2,385
<b>NET FINANCIAL ASSETS</b>	15,170	15,815
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 2)	6,525	7,795
Prepays	250	250
<b>TOTAL NON-FINANCIAL ASSETS</b>	6,775	8,045
<b>ACCUMULATED SURPLUS (note 4)</b>	21,945	23,860

*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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
<b>REVENUES</b>			
Municipal contributions (note 5)	7,500	7,500	7,500
Investment income	75	337	84
Special events	800	2,378	620
<b>TOTAL REVENUES</b>	<b>8,375</b>	<b>10,215</b>	<b>8,204</b>
<b>EXPENSES</b>			
Water Buffalo Festival	500	-	-
Special events	10,659	3,012	847
Streetscape	2,500	-	2,235
Decorations	-	-	105
Promotion and communications	500	2,544	-
Parade	2,750	5,047	1,943
Administration	245	243	-
Farmers' market	500	14	2,027
Amortization	1,270	1,270	1,270
<b>TOTAL EXPENSES</b>	<b>18,924</b>	<b>12,130</b>	<b>8,427</b>
<b>ANNUAL DEFICIT</b>	<b><u>(10,549)</u></b>	<b>(1,915)</b>	<b>(223)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>23,860</b>	<b>24,083</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>21,945</b>	<b>23,860</b>

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
<b>ANNUAL DEFICIT</b>	(10,549)	(1,915)	(223)
Amortization of tangible capital assets	1,270	1,270	1,270
Change in prepaids	-	-	32
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(9,279)	(645)	1,079
<b>NET FINANCIAL ASSETS - beginning of year</b>	15,815	15,815	14,736
<b>NET FINANCIAL ASSETS - end of year</b>	6,536	15,170	15,815

*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, 2022

	2022	2021
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual deficit	(1,915)	(223)
Items not involving cash		
Amortization of tangible capital assets	1,270	1,270
Change in non-cash assets and liabilities		
Accounts receivable	(1,384)	249
Prepays	-	32
Accounts payable	(2,180)	2,341
<b>NET CHANGE IN CASH</b>	<b>(4,209)</b>	<b>3,669</b>
<b>CASH - beginning of year</b>	<b>16,875</b>	<b>13,206</b>
<b>CASH - end of year</b>	<b>12,666</b>	<b>16,875</b>

*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, 2022

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### 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, 2022**

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**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:

	2022 Equipment \$	2021 Equipment \$
<b>COST</b>		
Balance, beginning of year	9,712	9,712
Balance, end of year	9,712	9,712
<b>ACCUMULATED AMORTIZATION</b>		
Balance, beginning of year	1,917	647
Add: additions during the year	1,270	1,270
Balance, end of year	3,187	1,917
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>6,525</b>	<b>7,795</b>

**3. BUDGET FIGURES**

The operating budget, approved by the Board, for 2022 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, 2022

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### 4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
<b>Surplus</b>		
Operations	8,720	9,365
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	6,525	7,795
<b>Surplus</b>	15,245	17,160
<b>Reserve</b>		
Working fund	6,700	6,700
	21,945	23,860

### 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 2022 and 2021.

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