



CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

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CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON

For The Year Ended December 31, 2019

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

August 4, 2020

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

We have audited the consolidated financial statements of the Corporation of the Township of Stirling-Rawdon and its local boards (the Township), which comprise the consolidated statement of financial position as at December 31, 2019, 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, 2019, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 4, 2020

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



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	1,984,586	2,572,278
Accounts receivable	1,796,709	1,013,193
Taxes receivable	1,081,816	1,087,525
TOTAL FINANCIAL ASSETS	4,863,111	4,672,996
LIABILITIES		
Accounts payable and accrued liabilities	1,854,234	1,279,322
Deferred revenue - obligatory reserve funds (note 4)	1,060,853	789,181
Deferred revenue - other	90,023	22,644
Long term debt (note 5)	3,547,568	4,080,237
Landfill liability (note 6)	1,833,846	1,262,845
Retirement benefits payable (note 7)	296,449	292,878
TOTAL LIABILITIES	8,682,973	7,727,107
NET DEBT	(3,819,862)	(3,054,111)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 9)	26,633,315	25,429,505
Prepaid expenses	11,995	10,495
TOTAL NON-FINANCIAL ASSETS	26,645,310	25,440,000
ACCUMULATED SURPLUS (note 10)	22,825,448	22,385,889

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Property taxation	4,913,690	4,943,578	4,514,117
User charges	2,085,976	2,163,646	2,199,321
Government of Canada	-	40,000	49,661
Province of Ontario	1,054,952	1,878,527	1,223,468
Other municipalities	306,015	310,154	265,331
Penalties and interest on taxes	160,000	149,442	174,241
Investment income	25,650	46,511	28,902
Donations	4,700	69,750	65,953
Other grants	1,000	2,962	64,419
Developer contributions earned	201,394	252,686	-
Federal gas tax earned	280,000	260,936	650,000
TOTAL REVENUES	9,033,377	10,118,192	9,235,413
EXPENSES			
General government	663,268	747,364	683,586
Protection services	2,824,893	2,821,573	2,519,129
Transportation services	2,806,591	3,011,036	2,841,009
Environmental services	1,498,440	2,004,873	1,738,925
Health services	52,025	39,405	20,163
Recreation and cultural services	995,516	997,824	828,173
Planning and development	95,068	56,558	73,761
TOTAL EXPENSES	8,935,801	9,678,633	8,704,746
ANNUAL SURPLUS	<u>97,576</u>	439,559	530,667
ACCUMULATED SURPLUS - beginning of year		22,385,889	21,855,222
ACCUMULATED SURPLUS - end of year		22,825,448	22,385,889

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
ANNUAL SURPLUS	97,576	439,559	530,667
Amortization of tangible capital assets	992,789	1,049,426	999,293
Purchase of tangible capital assets	(1,349,100)	(2,347,729)	(1,258,116)
Loss/(gain) on disposal of tangible capital assets	(32,000)	94,493	55,783
Proceeds on sale of tangible capital assets	32,000	-	29,635
Change in prepaid expenses	-	(1,500)	373
CHANGE IN NET DEBT	(258,735)	(765,751)	357,635
NET DEBT - beginning of year	(3,054,111)	(3,054,111)	(3,411,746)
NET DEBT - end of year	(3,312,846)	(3,819,862)	(3,054,111)

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, 2019**

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	439,559	530,667
Items not involving cash		
Amortization of tangible capital assets	1,049,426	999,293
Loss on disposal of tangible capital assets	94,493	55,783
Change in landfill liability	571,001	141,992
Change in non-cash assets and liabilities		
Accounts receivable	(783,516)	(45,881)
Taxes receivable	5,709	228,883
Prepaid expenses	(1,500)	373
Accounts payable and accrued liabilities	574,912	(613,050)
Deferred revenue - obligatory reserve funds	271,672	(286,118)
Deferred revenue - other	67,379	(27,334)
Retirement benefits payable	3,571	(37,268)
Net change in cash from operating activities	2,292,706	947,340
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,347,729)	(1,258,116)
Proceeds on disposal of tangible capital assets	-	29,635
Net change in cash from capital activities	(2,347,729)	(1,228,481)
FINANCING ACTIVITIES		
Long term debt issued	-	1,500,000
Debt principal repayments	(532,669)	(420,418)
Net change in cash from financing activities	(532,669)	1,079,582
NET CHANGE IN CASH	(587,692)	798,441
CASH - beginning of year	2,572,278	1,773,837
CASH - end of year	1,984,586	2,572,278

The accompanying notes are an integral part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of Revenues and Expenses

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

Property taxation

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

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

Government funding

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

Other revenue

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

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

(e) Non-financial Assets

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

(f) Reserves and Reserve Funds

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

(g) Deferred Revenue

Deferred revenue represents user charges and fees and government transfers which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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 and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates; 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 2019, 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	947,743	1,274,011
Taxation from other governments	-	3,329
Amounts requisitioned and remitted	947,743	1,277,340

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 \$245,350 (2018 - \$238,413) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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:

	2019 \$	2018 \$
Parkland	29,911	24,911
Development charges	580,515	690,716
Federal gas tax	450,427	73,554
	1,060,853	789,181

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

	2019 \$	2018 \$
Balance - beginning of year	789,181	1,075,299
Add amounts received:		
Development charges received	142,487	49,324
Federal gas tax funding received	306,656	158,554
County share of Federal gas tax funding received	306,653	144,140
Parkland fees received	5,000	-
Interest	24,498	11,864
	785,294	363,882
Less transfer to operations:		
Development charges earned	252,686	-
Gas tax funding earned	260,936	650,000
	513,622	650,000
Balance - end of year	1,060,853	789,181

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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:

	2019 \$	2018 \$
Ontario Infrastructure and Lands Corporation debenture repayable in blended semi-annual installments of \$98,190 with interest at 2.83%, due December 2021	379,250	561,030
Ontario Infrastructure and Lands Corporation debenture repayable in blended semi-annual installments of \$74,064 with interest at 2.05%, due September 2026	961,362	1,087,835
Ontario Infrastructure and Lands Corporation debenture repayable in blended semi-annual installments of \$62,347 with interest at 2.45%, due May 2027	849,580	951,581
Bank of Montreal term loan repayable in blended monthly installments of \$15,553 with interest at 4.51%, due November 2023	1,357,376	1,479,791
	3,547,568	4,080,237

- (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 \$123,741 (2018 - \$79,891).
- (d) The long term debt reported in (a) of this note is repayable as follows based on the current repayment terms:

	Principal \$	Interest \$	Total \$
2020	548,434	107,404	655,838
2021	565,059	90,779	655,838
2022	384,292	75,166	459,458
2023	396,218	63,240	459,458
2024	408,463	50,995	459,458
	2,302,466	387,584	2,690,050
2025 and subsequent years	1,245,102	78,329	1,323,431
	3,547,568	465,913	4,013,481

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 \$1,833,846 (2018 - \$1,262,845). 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 (2018 - \$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 \$2,634,786 as at December 31, 2019 (2018 - \$1,813,361). The remaining capacity of the landfill sites is estimated at 42,207 m³ (2018 - 43,664 m³) which is 32% (2018 - 33%) 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 3% and inflation rate of 2%. The landfill sites are expected to reach their capacity in 20 and 34 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 \$296,449 (2018 - \$292,878). 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 3% and inflation of 2%. 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 2019 Annual Report disclosed total actuarial liabilities of \$107,687 million in respect of benefits accrued for service with actuarial assets of \$104,290 million indicating an actuarial deficit of \$3,397 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 2019 were \$132,435 (2018 - \$140,137).

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

9. TANGIBLE CAPITAL ASSETS

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

	2019	2018
	\$	\$
General		
Land	1,027,298	1,072,950
Land improvements	642,693	659,377
Buildings	5,717,319	5,145,423
Equipment	1,234,132	1,251,163
Vehicles	1,013,721	917,131
Infrastructure		
Roads and streetlights	10,491,568	10,155,584
Bridges and culverts	1,789,183	1,473,947
Water and sewer system	4,717,401	4,753,930
	26,633,315	25,429,505

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

During the year there were no write-downs of assets (2018 - \$Nil) and no interest capitalized (2018 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2019	2018
	\$	\$
General government	1,682,097	1,752,550
Protection services	1,601,246	1,664,284
Transportation services	14,435,614	13,692,981
Environmental services	6,256,991	5,863,308
Recreation and cultural services	2,653,219	2,452,010
Planning and development	4,148	4,372
	26,633,315	25,429,505

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

10. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2019	2018
	\$	\$
Surplus/(Deficit)		
Township	(104,437)	219,363
Water	(60,564)	(86,997)
Unfunded landfill closure and post-closure liability	(1,833,846)	(1,262,845)
Unfunded retirement benefits liability	(296,449)	(292,878)
Long term debt supporting operations	(1,357,376)	(1,479,791)
Library	(43,145)	(32,206)
Arena	(58,905)	(2,400)
Business Improvement Area	9,291	7,064
	(3,745,431)	(2,930,690)
Invested In Capital Assets		
Tangible capital assets - net book value	26,633,315	25,429,505
Long term debt	(2,190,192)	(2,600,446)
Unfunded capital (note 10(b))	(993,525)	(495,261)
	23,449,598	22,333,798
Surplus	19,704,167	19,403,108
Reserves		
Working funds	400,050	400,050
Efficiency funding	508,311	-
Library operations	3,000	3,000
Arena working funds	20,840	20,840
Arena future capital	25,566	135,000
Business Improvement Area	6,700	6,700
Total Reserves	964,467	565,590
Reserve Funds		
Future capital	2,156,814	2,417,191
	22,825,448	22,385,889

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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:

	2019	2018
	\$	\$
Springbrook Road	(723,441)	(214,129)
Ridge Road	(59,497)	(40,457)
Swinburne Lane	(139,834)	(143,472)
Streetlights	(52,780)	(79,230)
Arena	(17,973)	(17,973)
	(993,525)	(495,261)

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 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
Salaries and benefits	2,280,178	2,434,008	2,311,988
Interest charges	64,746	123,741	79,891
Materials	3,131,138	3,010,813	2,824,312
Contracted services	2,344,190	2,885,093	2,346,161
Rents and financial	70,500	45,655	35,526
External transfers	52,260	43,265	51,792
Amortization	992,789	1,049,426	999,293
Loss on disposal of tangible capital assets	-	86,632	55,783
	8,935,801	9,678,633	8,704,746

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

12. BUDGET FIGURES

The budget, approved by the Township, for 2019 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Debt. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

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

	(Unaudited) Revenue \$	(Unaudited) Expenses \$
Council approved budget:		
Operating	9,694,182	8,409,039
Capital	71,842	1,349,100
	-	7,885
Total Council approved budget	9,766,024	9,766,024
Less: Tangible capital assets capitalized	-	(1,349,100)
Add: Amortization of tangible capital assets	-	992,789
Less: Principal repayment of long term debt	-	(410,254)
Less: Transfers to/from reserves	(732,647)	(243,195)
Less: Change in unfinanced capital	-	(26,450)
Less: Prior year (surplus)/deficit	-	219,360
Less: Change in current fund	-	(5,488)
Less: Reclassification for financial statement purposes	-	(7,885)
Adjusted budget per Consolidated Statement of Operations	9,033,377	8,935,801

13. COMPARATIVE FIGURES

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

14. SUBSEQUENT EVENT

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social impact.

At the time of approval of these consolidated financial statements, the Township has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Additional costs for enhanced facility cleaning and acquisition of personal protective equipment
- Temporarily closed most facilities for walk-in access
- Property tax due dates have been deferred, and
- Reduced revenues from user charges.

The Township plans to mitigate any additional operating costs with committed Provincial government funding, costs savings in other budget items and tight controls over the operating expenses.

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations.

15. SEGMENTED INFORMATION

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

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

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

General Government

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

Protection Services

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

Transportation Services

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

Water and Sewer

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

15. SEGMENTED INFORMATION, continued

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, 2019

	General					Infrastructure			Totals \$
	Land \$	Land Improvements \$	Buildings \$	Equipment \$	Vehicles \$	Roads and Streetlights \$	Bridges and Culverts \$	Water and Sewer System \$	
COST									
Balance, beginning of year	1,072,950	1,114,926	7,896,680	2,273,512	2,403,493	16,466,911	2,696,451	5,451,360	39,376,283
Add: additions during the year	-	-	734,306	115,442	251,367	856,617	353,884	36,113	2,347,729
Less: disposals during the year	45,652	-	-	10,413	174,381	-	-	-	230,446
Balance, end of year	1,027,298	1,114,926	8,630,986	2,378,541	2,480,479	17,323,528	3,050,335	5,487,473	41,493,566
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	455,549	2,751,257	1,022,349	1,486,362	6,311,327	1,222,504	697,430	13,946,778
Add: additions during the year	-	16,684	162,410	132,473	105,936	520,633	38,648	72,642	1,049,426
Less: disposals during the year	-	-	-	10,413	125,540	-	-	-	135,953
Balance, end of year	-	472,233	2,913,667	1,144,409	1,466,758	6,831,960	1,261,152	770,072	14,860,251
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS									
	1,027,298	642,693	5,717,319	1,234,132	1,013,721	10,491,568	1,789,183	4,717,401	26,633,315

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON



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

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	173,573	1,929,008	2,064,929	-	257,329	13,061	465,241	40,437	4,943,578
User charges	62,514	414,700	7,980	1,271,201	156,763	10,790	218,298	21,400	2,163,646
Government transfers - operating	577,073	445,837	392,028	-	14,240	2,539	99,268	12,699	1,543,684
Government transfers - capital	-	-	334,843	-	-	-	40,000	-	374,843
Other municipalities	-	128,625	-	-	-	-	181,529	-	310,154
Penalties and interest on taxes	149,442	-	-	-	-	-	-	-	149,442
Investment income	40,951	-	-	-	-	-	5,199	361	46,511
Donations	-	-	-	-	-	-	69,750	-	69,750
Other grants	-	-	-	-	-	-	2,962	-	2,962
Developer contributions earned	-	-	252,686	-	-	-	-	-	252,686
Federal gas tax earned	-	-	260,936	-	-	-	-	-	260,936
Total revenues	1,003,553	2,918,170	3,313,402	1,271,201	428,332	26,390	1,082,247	74,897	10,118,192
Expenses									
Salaries and benefits	428,978	599,841	738,973	333,064	4,025	1,246	327,031	850	2,434,008
Interest charges	15,816	48,404	22,693	36,256	-	-	572	-	123,741
Materials	180,449	287,835	1,470,659	394,179	72,643	16,993	522,722	65,333	3,010,813
Contracted services	54,220	1,724,939	30,647	113,581	913,758	21,166	26,631	151	2,885,093
Rents and financial	-	45,260	-	395	-	-	-	-	45,655
External transfers	-	52,256	-	-	-	-	1,009	(10,000)	43,265
Amortization	24,800	63,038	704,533	125,794	11,178	-	119,859	224	1,049,426
Loss (gain) on disposal of tangible capital assets	43,101	-	43,531	-	-	-	-	-	86,632
Total expenses	747,364	2,821,573	3,011,036	1,003,269	1,001,604	39,405	997,824	56,558	9,678,633
Net surplus/(deficit)	256,189	96,597	302,366	267,932	(573,272)	(13,015)	84,423	18,339	439,559

CORPORATION OF THE TOWNSHIP OF STIRLING-RAWDON



CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2018

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	359,024	1,688,571	1,909,226	-	252,900	16,672	251,854	35,870	4,514,117
User charges	34,646	462,573	1,788	1,272,020	155,381	10,995	247,290	14,628	2,199,321
Government transfers - operating	82,515	511,587	507,778	56,250	15,860	3,928	68,155	27,056	1,273,129
Other municipalities	-	130,046	-	-	-	-	135,285	-	265,331
Penalties and interest on taxes	174,241	-	-	-	-	-	-	-	174,241
Investment income	25,908	-	-	-	-	-	2,735	259	28,902
Donations	-	-	-	-	-	-	65,953	-	65,953
Other grants	-	59,163	-	-	-	-	5,256	-	64,419
Federal gas tax earned	-	-	650,000	-	-	-	-	-	650,000
Total revenues	676,334	2,851,940	3,068,792	1,328,270	424,141	31,595	776,528	77,813	9,235,413
Expenses									
Salaries and benefits	412,990	537,645	669,395	330,271	3,984	2,805	353,898	1,000	2,311,988
Interest charges	2,684	8,214	25,147	43,846	-	-	-	-	79,891
Materials	195,794	253,018	1,352,628	597,094	50,955	8,529	300,160	66,134	2,824,312
Contracted services	47,318	1,580,444	54,054	102,109	479,568	8,829	67,324	6,515	2,346,161
Rents and financial	-	35,526	-	-	-	-	-	-	35,526
External transfers	-	51,792	-	-	-	-	-	-	51,792
Amortization	24,800	63,038	673,454	120,259	10,839	-	106,791	112	999,293
Loss (gain) on disposal of tangible capital assets	-	3,452	52,331	-	-	-	-	-	55,783
Internal transfers	-	(14,000)	14,000	-	-	-	-	-	-
Total expenses	683,586	2,519,129	2,841,009	1,193,579	545,346	20,163	828,173	73,761	8,704,746
Net surplus/(deficit)	(7,252)	332,811	227,783	134,691	(121,205)	11,432	(51,645)	4,052	530,667

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

We have audited the financial statements of the Trust Funds of the Corporation of the Township of Stirling-Rawdon (the Trust Funds), which comprise the statement of financial position as at December 31, 2019, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 4, 2020

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



**TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	Cemetery Perpetual Care \$	Cemetery Monument Care \$	Wellman's Cemetery Perpetual Care \$	2019 Total \$	2018 Total \$
FINANCIAL ASSETS					
Investments (note 3)	178,949	29,578	36,103	244,630	238,413
Due from Township	720	-	-	720	-
	179,669	29,578	36,103	245,350	238,413
FUND BALANCES					
Capital	165,979	27,390	35,862	229,231	222,586
Operating	13,690	2,188	241	16,119	15,827
	179,669	29,578	36,103	245,350	238,413

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, 2019**

	Cemetery Perpetual Care \$	Cemetery Monument Care \$	Wellman's Cemetery Perpetual Care \$	2019 Total \$	2018 Total \$
BALANCES - beginning of year	174,409	28,600	35,404	238,413	231,626
RECEIPTS					
Investment income	3,820	628	743	5,191	4,920
Perpetual care fees	1,440	350	-	1,790	3,250
	5,260	978	743	6,981	8,170
EXPENSES					
Transfer to Wellman's cemetery	-	-	44	44	1,383
BALANCES - end of year	179,669	29,578	36,103	245,350	238,413

The accompanying notes are an integral part of these financial statements

**TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

1. PURPOSE OF TRUST FUNDS

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.

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



**TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

3. INVESTMENTS

Investments consist of the following investments recorded at cost:

	Market Value \$	2019 Cost \$	2018 Cost \$
Scotiastart Bond Common Trust Fund			
Cemetery Perpetual Care	170,281	178,949	174,409
Cemetery Monument Care	28,198	29,578	28,600
Wellman's Cemetery Perpetual Care	34,319	36,103	35,404
	232,798	244,630	238,413

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

STIRLING-RAWDON PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

We have audited the financial statements of the Stirling-Rawdon Public Library Board of the Corporation of the Township of Stirling-Rawdon (the Board), which comprise the statement of financial position as at December 31, 2019, the statements of operations and accumulated surplus, change in 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, 2019, 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 deficit, assets and accumulated surplus.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 4, 2020

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



**STIRLING-RAWDON PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	8,392	45,636
Accounts receivable	7,684	5,056
TOTAL FINANCIAL ASSETS	16,076	50,692
LIABILITIES		
Accounts payable	4,865	4,390
Due to Township of Stirling-Rawdon (note 5)	40,955	67,918
TOTAL LIABILITIES	45,820	72,308
NET DEBT	(29,744)	(21,616)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	219,290	230,066
Prepaid expenses	347	-
TOTAL NON-FINANCIAL ASSETS	219,637	230,066
ACCUMULATED SURPLUS (note 3)	189,893	208,450

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Municipal contributions (note 5)	143,690	143,690	141,205
Province of Ontario	8,810	8,810	8,810
Other grants	1,000	1,474	5,256
Donations	3,000	8,094	63,103
Investment income	150	341	427
User charges	4,500	7,934	5,629
Good Food Box program	-	3,999	5,156
TOTAL REVENUES	161,150	174,342	229,586
EXPENSES			
Salaries and benefits	114,500	128,029	158,057
Office and administration	9,900	10,119	39,744
Training	550	656	714
Insurance	4,200	5,578	3,273
Maintenance and utilities	21,000	17,258	28,029
Periodicals and audio/visual	2,000	2,825	2,298
Good Food Box program	-	3,999	5,156
Musical instrument lending library	-	3,999	879
Amortization	20,541	20,436	20,541
TOTAL EXPENSES	172,691	192,899	258,691
ANNUAL DEFICIT	<u>(11,541)</u>	(18,557)	(29,105)
ACCUMULATED SURPLUS - beginning of year		208,450	237,555
ACCUMULATED SURPLUS - end of year		189,893	208,450

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 DEBT
For the Year Ended December 31, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
ANNUAL DEFICIT	(11,541)	(18,557)	(29,105)
Amortization of tangible capital assets	20,541	20,436	20,541
Acquisition of tangible capital assets	(9,000)	(9,660)	(9,382)
Change in prepaid expenses	-	(347)	-
CHANGE IN NET DEBT	-	(8,128)	(17,946)
NET DEBT - beginning of year	(21,616)	(21,616)	(3,670)
NET DEBT - end of year	(21,616)	(29,744)	(21,616)

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, 2019**

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(18,557)	(29,105)
Items not involving cash		
Amortization of tangible capital assets	20,436	20,541
Change in non-cash assets and liabilities		
Accounts receivable	(2,628)	3,354
Prepaid expenses	(347)	-
Accounts payable	475	(15,475)
Due to Township of Stirling-Rawdon	(26,963)	45,299
Net change in cash from operating activities	(27,584)	24,614
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(9,660)	(9,382)
NET CHANGE IN CASH	(37,244)	15,232
CASH - beginning of year	45,636	30,404
CASH - end of year	8,392	45,636

The accompanying notes are an integral part of these financial statements

**STIRLING-RAWDON PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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. 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.

**STIRLING-RAWDON PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Reserves and Reserve Funds

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

(f) Inter-Entity Transactions

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

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

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

2. TANGIBLE CAPITAL ASSETS

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

	Buildings \$	Books \$	Furniture \$	2019 Totals \$	2018 Totals \$
COST					
Balance, beginning of year	501,375	66,420	13,508	581,303	604,144
Add: additions during the year	-	9,660	-	9,660	9,382
Less: disposals during the year	-	10,413	-	10,413	32,223
Balance, end of year	501,375	65,667	13,508	580,550	581,303
ACCUMULATED AMORTIZATION					
Balance, beginning of year	303,653	39,702	7,882	351,237	362,919
Add: additions during the year	9,930	9,380	1,126	20,436	20,541
Less: disposals during the year	-	10,413	-	10,413	32,223
Balance, end of year	313,583	38,669	9,008	361,260	351,237
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	187,792	26,998	4,500	219,290	230,066

**STIRLING-RAWDON PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019	2018
	\$	\$
Deficit		
Operations	(43,145)	(32,206)
Invested In Capital Assets		
Tangible capital assets - net book value	219,290	230,066
Surplus	176,145	197,860
Reserve		
Working funds	3,000	3,000
Reserve Fund		
Future capital	10,748	7,590
	189,893	208,450

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2019 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Debt. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

**STIRLING-RAWDON PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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:

	2019	2018
	\$	\$
Allocated costs:		
Insurance	5,578	3,273
Office and administration	2,848	1,997
	<u>8,426</u>	<u>5,270</u>

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. SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Board's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Board's operations. The extent of the impact of this outbreak and related containment measures on the Board's operations cannot be reliably estimated at this time.

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

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

FINANCIAL STATEMENTS

DECEMBER 31, 2019

INDEPENDENT AUDITOR'S REPORT

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

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Qualified Opinion

We have audited the financial statements of the Stirling-Rawdon and District Recreation Centre Joint Arena Board of the Corporation of the Township of Stirling-Rawdon (the Board), which comprise the statement of financial position as at December 31, 2019, 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, 2019, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 4, 2020

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



**STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	140,983	164,712
Accounts receivable	52,998	63,284
TOTAL FINANCIAL ASSETS	193,981	227,996
LIABILITIES		
Accounts payable	76,098	41,740
Due to Township of Stirling-Rawdon (note 5)	66,739	29,173
Deferred revenue (note 7)	60,000	-
TOTAL LIABILITIES	202,837	70,913
NET FINANCIAL ASSETS/(NET DEBT)	(8,856)	157,083
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	1,249,277	1,004,218
ACCUMULATED SURPLUS (note 3)	1,240,421	1,161,301

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Municipal contributions (note 5)	248,680	248,743	220,502
Federal grant	-	40,000	-
User charges			
Ice rentals	157,750	163,431	169,472
Canteen rentals	4,200	4,722	3,678
Curling club rentals	25,000	17,251	36,328
Other fees and charges	16,951	18,309	18,207
Investment income	500	4,858	2,308
Donations	1,700	61,657	1,650
TOTAL REVENUES	454,781	558,971	452,145
EXPENSES			
Salaries and benefits	165,000	184,132	173,552
Utilities	119,500	143,173	122,499
Maintenance	42,700	50,864	47,519
Office and administration	3,500	3,548	3,080
Insurance	24,000	25,233	19,051
Other	7,500	6,553	8,064
Amortization	53,175	66,348	53,175
TOTAL EXPENSES	415,375	479,851	426,940
ANNUAL SURPLUS	<u>39,406</u>	79,120	25,205
ACCUMULATED SURPLUS - beginning of year		1,161,301	1,136,096
ACCUMULATED SURPLUS - end of year		1,240,421	1,161,301

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
ANNUAL SURPLUS	39,406	79,120	25,205
Amortization of tangible capital assets	53,175	66,348	53,175
Acquisition of tangible capital assets	-	(311,407)	-
CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)	92,581	(165,939)	78,380
NET FINANCIAL ASSETS - beginning of year	157,083	157,083	78,703
NET FINANCIAL ASSETS/(NET DEBT) - end of year	249,664	(8,856)	157,083

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, 2019**

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	79,120	25,205
Items not involving cash		
Amortization of tangible capital assets	66,348	53,175
Change in non-cash assets and liabilities		
Accounts receivable	10,286	29,076
Accounts payable	34,358	(8,153)
Due to Township of Stirling-Rawdon	37,566	(31,933)
Deferred revenue	60,000	-
Net change in cash from operating activities	287,678	67,370
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(311,407)	-
NET CHANGE IN CASH	(23,729)	67,370
CASH - beginning of year	164,712	97,342
CASH - end of year	140,983	164,712

The accompanying notes are an integral part of these financial statements

**STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Building	75 years
Equipment	15 - 25 years

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

(d) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

**STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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 \$	2019 Totals \$	2018 Totals \$
COST					
Balance, beginning of year	94,150	1,300,530	514,631	1,909,311	1,909,311
Add: additions during the year	-	239,767	71,640	311,407	-
Balance, end of year	94,150	1,540,297	586,271	2,220,718	1,909,311
ACCUMULATED AMORTIZATION					
Balance, beginning of year	-	593,817	311,276	905,093	851,918
Add: additions during the year	-	38,389	27,959	66,348	53,175
Balance, end of year	-	632,206	339,235	971,441	905,093
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	94,150	908,091	247,036	1,249,277	1,004,218

**STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019	2018
	\$	\$
Deficit		
Operations	(58,905)	(2,400)
Invested In Capital Assets		
Tangible capital assets - net book value	1,249,277	1,004,218
Unfunded capital	(17,973)	(17,973)
	1,231,304	986,245
Surplus	1,172,399	983,845
Reserves		
Working funds	20,840	20,840
Future capital	25,566	135,000
Total Reserves	46,406	155,840
Reserve Fund		
Future capital	21,616	21,616
	1,240,421	1,161,301

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2019 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets/(Net Debt). The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

**STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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 2019, the contribution was \$96,239 (2018 - \$85,217) which is included in municipal contributions on the Statement of Operations and Accumulated Surplus.

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

	2019	2018
	\$	\$
Allocated costs:		
Insurance	25,233	19,051
Water and sewer	3,433	4,470
Office and administration	89	887
	28,755	24,408

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, 2019 was \$17,251 (2018 - \$36,328).

**STIRLING-RAWDON AND DISTRICT RECREATION CENTRE JOINT ARENA BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

7. DEFERRED REVENUE

Included in deferred revenue are the following amounts:

	2019	2018
	\$	\$
Employment and Social Development Canada federal grant	60,000	-

The continuity of deferred revenue is as follows:

	2019	2018
	\$	\$
Balance - beginning of year	-	-
Add amounts received:		
Employment and Social Development Canada federal grant received	100,000	-
Less amounts earned:		
Employment and Social Development Canada federal grant earned	40,000	-
Balance - end of year	60,000	-

8. SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Board's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Board's operations. The extent of the impact of this outbreak and related containment measures on the Board's operations cannot be reliably estimated at this time.

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

STIRLING-RAWDON BUSINESS IMPROVEMENT AREA

FINANCIAL STATEMENTS

DECEMBER 31, 2019

INDEPENDENT AUDITOR'S REPORT

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

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Opinion

We have audited the financial statements of the Stirling-Rawdon Business Improvement Area of the Corporation of the Township of Stirling-Rawdon (the Board), which comprise the statement of financial position as at December 31, 2019, 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, 2019, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 4, 2020

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



**STIRLING-RAWDON BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	15,524	12,643
Accounts receivable	467	2,032
TOTAL FINANCIAL ASSETS	15,991	14,675
LIABILITIES		
Accounts payable	-	411
Due to Township of Stirling-Rawdon	-	500
TOTAL LIABILITIES	-	911
NET FINANCIAL ASSETS	15,991	13,764
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	4,148	4,372
ACCUMULATED SURPLUS (note 4)	20,139	18,136

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Municipal contributions (note 5)	7,500	7,500	7,500
Investment income	-	361	259
Digital Main Street grant	-	10,000	-
TOTAL REVENUES	7,500	17,861	7,759
EXPENSES			
Water Buffalo Festival	3,000	1,000	3,000
Other special events	2,258	610	1,858
Marketing	3,500	1,500	-
Streetscape	1,000	901	-
Promotion and communications	2,500	11,398	1,491
Parade	(550)	-	500
Administration	-	225	-
Amortization	112	224	112
TOTAL EXPENSES	11,820	15,858	6,961
ANNUAL SURPLUS/(DEFICIT)	<u>(4,320)</u>	2,003	798
ACCUMULATED SURPLUS - beginning of year		18,136	17,338
ACCUMULATED SURPLUS - end of year		20,139	18,136

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
ANNUAL SURPLUS/(DEFICIT)	(4,320)	2,003	798
Amortization of tangible capital assets	-	224	112
Acquisition of tangible capital assets	-	-	(4,484)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(4,320)	2,227	(3,574)
NET FINANCIAL ASSETS - beginning of year	13,764	13,764	17,338
NET FINANCIAL ASSETS - end of year	9,444	15,991	13,764

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, 2019**

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	2,003	798
Items not involving cash		
Amortization of tangible capital assets	224	112
Change in non-cash assets and liabilities		
Accounts receivable	1,565	(838)
Accounts payable	(411)	(903)
Due to Township of Stirling-Rawdon	(500)	(500)
Net change in cash from operating activities	2,881	(1,331)
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	-	(4,484)
NET CHANGE IN CASH	2,881	(5,815)
CASH - beginning of year	12,643	18,458
CASH - end of year	15,524	12,643

The accompanying notes are an integral part of these financial statements

**STIRLING-RAWDON BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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. 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	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) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

**STIRLING-RAWDON BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) 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.

(f) 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:

	2019 Equipment \$	2018 Equipment \$
COST		
Balance, beginning of year	4,484	-
Add: additions during the year	-	4,484
Balance, end of year	4,484	4,484
ACCUMULATED AMORTIZATION		
Balance, beginning of year	112	-
Add: additions during the year	224	112
Balance, end of year	336	112
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	4,148	4,372

3. BUDGET FIGURES

The operating budget, approved by the Board, for 2019 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

**STIRLING-RAWDON BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019	2018
	\$	\$
Surplus		
Operations	9,291	7,064
Invested In Capital Assets		
Tangible capital assets - net book value	4,148	4,372
Surplus	13,439	11,436
Reserve		
Working fund	6,700	6,700
	20,139	18,136

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 2019 and \$500 in 2018 relating to special event costs.

In addition, the Township 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. COMPARATIVE FIGURES

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

7. SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Board's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Board's operations. The extent of the impact of this outbreak and related containment measures on the Board's operations cannot be reliably estimated at this time.