

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED FINANCIAL STATEMENTS

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CORPORATION OF THE TOWNSHIP OF RAMARA

For The Year Ended December 31, 2021

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Ramara 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 Ramara. 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.

Basil Clarke, Mayor

Zach Drinkwalter,
CAO/Treasurer

June 27, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Ramara

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of Ramara and its local boards (the Township), which comprise the consolidated statement of financial position as at December 31, 2021, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2021, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 30, 2022

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	16,238,781	12,332,791
Accounts receivable	2,338,539	2,114,043
Taxes receivable	2,133,162	3,033,256
Land held for sale	493,828	580,842
Long-term receivables (note 2)	1,639,497	1,722,641
Investments (note 3)	5,000,000	5,000,000
TOTAL FINANCIAL ASSETS	27,843,807	24,783,573
LIABILITIES		
Accounts payable and accrued liabilities	4,607,539	6,020,502
Deferred revenue - obligatory reserve funds (note 5)	4,507,564	3,383,394
Deferred revenue - other (note 4)	673,870	275,030
Long term debt (note 6)	9,167,167	9,492,879
TOTAL LIABILITIES	18,956,140	19,171,805
NET FINANCIAL ASSETS	8,887,667	5,611,768
NON-FINANCIAL ASSETS		
Tangible capital assets (note 7)	55,773,422	55,396,850
Prepaid expenses	314,152	530,598
TOTAL NON-FINANCIAL ASSETS	56,087,574	55,927,448
ACCUMULATED SURPLUS (note 8)	64,975,241	61,539,216

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Property taxation	13,965,560	14,068,898	13,775,928
User charges	4,285,929	4,499,368	4,060,975
Government of Canada	300,000	116,621	19,393
Province of Ontario	1,620,070	1,512,224	1,755,248
Other municipalities	80,000	75,263	70,210
Penalties and interest on taxes	350,000	351,250	100,143
Investment income	201,264	63,951	132,281
Sale of land and other sales	445,500	180,113	80,992
Capital contributions	5,000	3,895	5,842
Developer contributions earned	150,000	161,798	-
Federal gas tax earned	-	109,989	-
Other	115,000	236,904	102,837
TOTAL REVENUES	21,518,323	21,380,274	20,103,849
EXPENSES			
General government	2,594,716	3,000,253	2,610,970
Protection services	4,264,044	4,598,515	4,158,677
Transportation services	5,416,274	4,862,174	4,530,195
Environmental services	3,226,865	3,425,167	3,287,094
Health services	11,778	(2,354)	(2,839)
Recreation and cultural services	1,625,206	1,372,204	1,253,262
Planning and development	488,303	688,290	557,821
TOTAL EXPENSES	17,627,186	17,944,249	16,395,180
ANNUAL SURPLUS	<u>3,891,137</u>	3,436,025	3,708,669
ACCUMULATED SURPLUS - beginning of year		61,539,216	57,830,547
ACCUMULATED SURPLUS - end of year		64,975,241	61,539,216

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
ANNUAL SURPLUS	3,891,137	3,436,025	3,708,669
Amortization of tangible capital assets	2,568,386	2,597,402	2,568,386
Purchase of tangible capital assets	(8,598,390)	(3,187,823)	(2,321,168)
Loss on disposal of tangible capital assets	-	163,322	22,672
Proceeds on sale of tangible capital assets	-	50,527	74,088
Change in prepaid expenses	-	216,446	(24,231)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(2,138,867)	3,275,899	4,028,416
NET FINANCIAL ASSETS - beginning of year	5,611,768	5,611,768	1,583,352
NET FINANCIAL ASSETS - end of year	3,472,901	8,887,667	5,611,768

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	3,436,025	3,708,669
Items not involving cash		
Amortization of tangible capital assets	2,597,402	2,568,386
Loss on disposal of tangible capital assets	163,322	22,672
Change in non-cash assets and liabilities		
Accounts receivable	(224,496)	(204,616)
Taxes receivable	900,094	(285,856)
Land held for sale	87,014	20,228
Long-term receivables	83,144	235,108
Prepaid expenses	216,446	(24,231)
Accounts payable and accrued liabilities	(1,412,963)	1,265,014
Deferred revenue - obligatory reserve funds	1,124,170	684,742
Deferred revenue - other	398,840	20,461
Net change in cash from operating activities	7,368,998	8,010,577
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(3,187,823)	(2,321,168)
Proceeds on disposal of tangible capital assets	50,527	74,088
Net change in cash from capital activities	(3,137,296)	(2,247,080)
INVESTING ACTIVITIES		
Purchase of investments	-	(5,000,000)
FINANCING ACTIVITIES		
Debt principal repayments	(325,712)	(311,832)
NET CHANGE IN CASH	3,905,990	451,665
CASH - beginning of year	12,332,791	11,881,126
CASH - end of year	16,238,781	12,332,791

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

The Township of Ramara 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 Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. 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:

- Ramara Township Public Library Board
- Lagoon City Parks & Waterways

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

(b) Trust Funds

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

(c) Tangible Capital Assets

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

Land improvements	10-40 years
Buildings and structures	20-60 years
Furniture and office equipment	4-10 years
Machinery and equipment	5-30 years
Vehicles	8-20 years
Roads and bridges	20-50 years
Water and sewer	10-90 years
Parks and waterways	10-50 years

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

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

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of Revenues and Expenses

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

Taxation

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

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

Government Funding

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

Other revenue

User charges are recognized as revenue in the year the goods and services are provided, with the exception of building permits that are recognized when the permits are issued.

Investment income is recorded when earned.

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

Sale of land and other sales are recognized as revenue when the transactions are legally completed.

Capital contributions are earned as amounts are billed to residents.

(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.

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) 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 amortization of tangible capital assets are based on estimates of useful life and residual values; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

2. LONG-TERM RECEIVABLES

Long-term receivables consist of the following:

	2021	2020
	\$	\$
Brechin sewer assessment	1,568,003	1,644,332
Bayview Drive watermain extention	71,494	78,309
	1,639,497	1,722,641

3. INVESTMENTS

Investments consist of CIBC principal protected notes recorded at cost, with a market value of \$5,381,800.

4. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2021	2020
	\$	\$
Deposits on Industrial land	174,150	109,150
Provincial - OCIF	204,610	106,687
Provincial - Safe Restart	131,685	-
Provincial - Modernization	45,500	-
Provincial - OCLIF	27,717	22,717
Provincial - Mainstreet	-	20,831
Federal - Accessibility	72,476	-
Other	17,732	15,645
	673,870	275,030

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized below:

	2021	2020
	\$	\$
Development charges	2,655,069	2,026,707
Parkland	158,482	146,319
Federal gas tax	1,694,013	1,210,368
	4,507,564	3,383,394

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

	2021	2020
	\$	\$
Balance - beginning of year	3,383,394	2,698,652
Add amounts received:		
Development charges	769,892	353,241
Parkland	10,700	18,000
Federal gas tax	590,190	287,830
Interest	25,175	25,671
	1,395,957	684,742
Less transfer to operations:		
Development charges earned	161,798	-
Federal gas tax earned	109,989	-
	271,787	-
Balance - end of year	4,507,564	3,383,394

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

6. LONG TERM DEBT

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

	2021 \$	2020 \$
Debenture issued to the Ontario Infrastructure Projects Corporation repayable in semi-annual blended instalments of \$188,261, interest at 5.91% per annum, due December 1, 2038	4,003,982	4,137,904
Debenture issued to the Ontario Infrastructure Projects Corporation repayable in semi-annual blended instalments of \$81,659, interest at 2.8% per annum, due August 3, 2038	2,197,107	2,296,808
Debenture issued to the Ontario Infrastructure Projects Corporation repayable in semi-annual blended instalments of \$106,600, interest at 3.99% per annum, due May 1, 2042	2,966,078	3,058,167
	9,167,167	9,492,879

- (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) The Township acts as a collection agency for the Province of Ontario for tile drainage loans for individual ratepayers. The value of these loans outstanding at December 31, 2021 is \$86,634 (2020 - \$66,394). These loans and the related repayments are not reported on the Consolidated Statements of Financial Position, Operations and Accumulated Surplus Change in Net Financial Assets and Cash Flows.
- (d) Interest paid during the year on long term debt amounted to \$383,789 (2020 - \$441,237).
- (e) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2022	340,265	412,775	753,040
2023	355,529	397,511	753,040
2024	371,542	381,498	753,040
2025	388,340	364,700	753,040
2026	405,967	347,073	753,040
2027 and subsequent years	7,305,524	2,477,164	9,782,688
	9,167,167	4,380,721	13,547,888

CORPORATION OF THE TOWNSHIP OF RAMARA

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

7. TANGIBLE CAPITAL ASSETS

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

	2021	2020
	\$	\$
General		
Land and land improvements	15,130,299	15,174,851
Buildings and structures	6,387,769	6,588,758
Furniture and office equipment	288,678	218,677
Machinery and equipment	6,135,169	5,800,660
Vehicles	3,050,975	3,176,453
Infrastructure		
Roads and bridges	11,348,254	11,800,398
Water and sewer	10,924,912	11,234,911
Parks and waterways	466,384	499,534
	53,732,440	54,494,242
Assets under construction	2,040,982	902,608
	55,773,422	55,396,850

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

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

Tangible capital assets allocated by segment are as follows:

	2021	2020
	\$	\$
General government	5,417,002	5,462,423
Protection services	4,218,463	4,381,730
Transportation services	21,414,491	20,294,348
Environmental services	17,907,623	18,494,275
Health services	130,003	134,081
Recreation and cultural services	6,685,840	6,629,993
	55,773,422	55,396,850

CORPORATION OF THE TOWNSHIP OF RAMARA

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

8. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
Surplus/(Deficit)		
Sewage works	2,526,014	2,462,340
Brechin sewers	(3,200,248)	(3,200,248)
Equity in land held for sale	(229,397)	535,162
	(903,631)	(202,746)
Invested In Capital Assets		
Tangible capital assets - net book value	55,773,422	55,396,850
Long term debt related to tangible capital asset acquisition	(8,443,942)	(8,745,464)
Unfunded capital	(167,645)	(167,645)
	47,161,835	46,483,741
Surplus	46,258,204	46,280,995
Reserves		
Working capital	6,119,634	4,756,655
Contingencies	364,634	364,634
Rate stabilization	812,858	643,548
Municipal projects	613,342	594,842
Mosquito control	41,364	35,681
Waterworks	1,174,301	1,226,155
Capital expenditures - Township	8,277,761	6,595,015
Capital expenditures - Library	102,167	127,033
Total Reserves	17,506,061	14,343,563
Reserve Funds		
Equipment and housing	122,891	121,674
Ramara trails	58,343	6,253
Library expansion	44,590	44,149
Lagoon City Parks and Waterway	985,152	742,582
Total Reserve Funds	1,210,976	914,658
	64,975,241	61,539,216

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

9. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF SIMCOE

During 2021, requisitions were made by the County of Simcoe 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 \$
Amounts requisitioned and remitted	4,410,424	6,769,399

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

10. BUDGET FIGURES

The budget, approved by the Township, for 2021 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. 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.

11. EXPENSES BY OBJECT

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

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
Salaries and benefits	5,940,658	6,062,148	6,010,703
Interest charges	383,508	383,789	396,049
Materials	2,477,883	2,239,736	2,053,059
Contracted services	6,184,461	5,901,527	5,153,365
Rents and financial	3,290	274,101	1,529
External transfers	69,000	191,390	124,000
Amortization	2,568,386	2,597,402	2,568,386
Loss on disposal of tangible capital assets	-	163,322	22,672
Cost of sale of land	-	130,834	65,417
	17,627,186	17,944,249	16,395,180

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

12. PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 2021 Annual Report disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets of \$117,665 million indicating an actuarial deficit of \$3,131 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2021 were \$394,652 (2020 - \$410,725).

13. UNCERTAINTY CAUSED BY COVID-19

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

14. TRUST FUNDS

Trust funds administered by the Township amounting to \$16,443 (2020 - \$16,338) 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.

15. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$3,000,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2021-13. At December 31, 2021 there was no balance outstanding (2020 - \$Nil).

16. CONTINGENT LIABILITIES

The Township, in the course of its operations, is often named in lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

17. SEGMENTED INFORMATION

The Township of Ramara 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.

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

17. SEGMENTED INFORMATION, continued

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

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

General Government

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

Protection Services

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

Transportation Services

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

Water and Sewer

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

Other Environmental Services

This function is responsible for solar operations and Lake Simcoe protection plan.

Health Services

The health services function consists of the activities of the cemetery board.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and includes the operations of Lagoon City Parks & Waterways and the Ramara Township Public Library.

Planning and Development

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

18. COMMITMENT

During 2021, the Township entered into an agreement to purchase an aquatic plant harvester for \$368,210 USD. No amounts had been paid as of December 31, 2021.

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2021

	General					Infrastructure			Assets Under Construction	Totals
	Land and Land Improvements	Buildings and Structures	Furniture and Office Equipment	Machinery and Equipment	Vehicles	Roads and bridges	Water and Sewer	Parks and Waterways		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST										
Balance, beginning of year	15,938,998	11,297,136	1,468,659	14,595,965	6,305,153	32,903,714	21,234,977	818,698	902,608	105,465,908
Add: additions during the year	-	112,952	122,505	723,692	390,562	505,776	91,944	-	1,240,392	3,187,823
Less: disposals during the year	-	-	14,356	8,580	904,138	398,831	15,746	-	-	1,341,651
Internal transfers	-	-	-	102,018	-	-	-	-	(102,018)	-
Balance, end of year	15,938,998	11,410,088	1,576,808	15,413,095	5,791,577	33,010,659	21,311,175	818,698	2,040,982	107,312,080
ACCUMULATED AMORTIZATION										
Balance, beginning of year	764,147	4,708,378	1,249,982	8,795,305	3,128,700	21,103,316	10,000,066	319,164	-	50,069,058
Add: additions during the year	44,552	313,941	52,504	491,201	333,861	927,502	400,691	33,150	-	2,597,402
Less: disposals during the year	-	-	14,356	8,580	721,959	368,413	14,494	-	-	1,127,802
Balance, end of year	808,699	5,022,319	1,288,130	9,277,926	2,740,602	21,662,405	10,386,263	352,314	-	51,538,658
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	15,130,299	6,387,769	288,678	6,135,169	3,050,975	11,348,254	10,924,912	466,384	2,040,982	55,773,422

CORPORATION OF THE TOWNSHIP OF RAMARA

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

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	1,135,594	3,994,929	7,168,242	-	-	1,600	1,809,730	(41,197)	14,068,898
User charges	405,837	676,010	47,428	2,984,885	31,184	213	52,194	301,617	4,499,368
Government transfers - operating	1,129,931	12,651	189,248	-	-	-	52,202	11,791	1,395,823
Government transfers - capital	-	-	233,022	-	-	-	-	-	233,022
Other municipalities	-	45,263	-	-	-	-	30,000	-	75,263
Penalties and interest on taxes	351,250	-	-	-	-	-	-	-	351,250
Investment income	4,803	5	-	50,740	-	-	8,403	-	63,951
Sale of land and other sales	-	-	3,113	-	-	-	-	177,000	180,113
Capital contributions	-	-	-	3,895	-	-	-	-	3,895
Developer contributions earned	-	-	161,798	-	-	-	-	-	161,798
Federal gas tax earned	-	-	109,989	-	-	-	-	-	109,989
Other	141,023	68,054	4,112	-	-	6,094	17,621	-	236,904
Total revenues	3,168,438	4,796,912	7,916,952	3,039,520	31,184	7,907	1,970,150	449,211	21,380,274
Expenses									
Salaries and benefits	1,676,571	1,612,467	1,684,064	241,714	-	-	683,125	164,207	6,062,148
Interest charges	121,391	-	-	262,398	-	-	-	-	383,789
Materials	275,199	396,969	1,051,334	317,842	-	10,205	170,039	18,148	2,239,736
Contracted services	441,989	2,057,518	787,084	1,839,246	-	12,363	408,226	355,101	5,901,527
Rents and financial	263,947	549	-	-	-	-	9,605	-	274,101
External transfers	1,000	170,390	-	-	-	-	-	20,000	191,390
Amortization	133,056	295,622	1,218,857	786,480	-	4,078	159,309	-	2,597,402
Loss on disposal of tangible capital assets	-	65,000	120,835	(22,513)	-	-	-	-	163,322
Internal transfers	87,100	-	-	-	-	(29,000)	(58,100)	-	-
Cost of sale of land	-	-	-	-	-	-	-	130,834	130,834
Total expenses	3,000,253	4,598,515	4,862,174	3,425,167	-	(2,354)	1,372,204	688,290	17,944,249
Net surplus/(deficit)	168,185	198,397	3,054,778	(385,647)	31,184	10,261	597,946	(239,079)	3,436,025

CORPORATION OF THE TOWNSHIP OF RAMARA

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

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	1,324,219	4,146,290	6,414,838	-	-	(16,100)	1,683,516	223,165	13,775,928
User charges	385,164	390,925	84,118	2,975,004	31,481	(980)	8,327	186,936	4,060,975
Government transfers - operating	1,168,879	8,567	382,600	-	-	-	61,347	25,208	1,646,601
Government transfers - capital	-	-	128,040	-	-	-	-	-	128,040
Other municipalities	-	5,210	-	-	-	-	15,000	50,000	70,210
Penalties and interest on taxes	100,143	-	-	-	-	-	-	-	100,143
Investment income	72,626	16	368	53,204	-	-	6,067	-	132,281
Sale of land and other sales	-	-	2,912	946	-	-	-	77,134	80,992
Capital contributions	-	-	-	5,842	-	-	-	-	5,842
Other	9,827	42,925	13,225	-	-	6,226	30,634	-	102,837
Total revenues	3,060,858	4,593,933	7,026,101	3,034,996	31,481	(10,854)	1,804,891	562,443	20,103,849
Expenses									
Salaries and benefits	1,618,862	1,347,793	1,451,709	782,877	797	-	595,509	213,156	6,010,703
Interest charges	124,709	-	-	271,340	-	-	-	-	396,049
Materials	198,442	297,012	845,706	533,794	1,568	12,457	154,915	9,165	2,053,059
Contracted services	444,086	2,116,213	1,043,302	916,100	-	9,626	373,955	250,083	5,153,365
Rents and financial	947	549	-	-	-	-	33	-	1,529
External transfers	8,000	96,000	-	-	-	-	-	20,000	124,000
Amortization	139,671	299,435	1,182,090	778,969	-	4,078	164,143	-	2,568,386
Loss on disposal of tangible capital assets	-	-	21,149	1,523	-	-	-	-	22,672
Internal transfers	76,253	1,675	(13,761)	126	-	(29,000)	(35,293)	-	-
Cost of sale of land	-	-	-	-	-	-	-	65,417	65,417
Total expenses	2,610,970	4,158,677	4,530,195	3,284,729	2,365	(2,839)	1,253,262	557,821	16,395,180
Net surplus/(deficit)	449,888	435,256	2,495,906	(249,733)	29,116	(8,015)	551,629	4,622	3,708,669

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Ramara

Opinion

We have audited the financial statements of the Trust Fund of the Corporation of the Township of Ramara (the Trust Fund), which comprise the statement of financial position as at December 31, 2021, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2021, and the continuity of the Trust Fund 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 Fund 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 Fund'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 Trust Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Fund'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 Trust Fund'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 Trust Fund'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 Trust Fund 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 30, 2022

CORPORATION OF THE TOWNSHIP OF RAMARA

TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021 Cemetery Care and Maintenance \$	2020 Cemetery Care and Maintenance \$
FINANCIAL ASSETS		
Investment (note 2)	16,443	16,338
FUND BALANCE	16,443	16,338

TRUST FUND STATEMENT OF CONTINUITY For the Year Ended December 31, 2021

	2021 Cemetery Care and Maintenance \$	2020 Cemetery Care and Maintenance \$
BALANCE - beginning of year	16,338	15,980
RECEIPTS		
Capital dividends	105	358
BALANCE - end of year	16,443	16,338

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(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.

2. INVESTMENT

The trust's investment consists of a mutual fund with Scotia Partners Income Portfolio, recorded at cost, with a market value of \$18,873.

3. CARE AND MAINTENANCE FUNDS

The figures reported for the cemetery care and maintenance represent the trust fund activities for the Sebright Cemetery.

The Care and Maintenance Funds administered by the Township are funded by the sale of cemetery plots and markers. These funds are invested and earnings derived there from are used to perform care and maintenance for the Township's cemeteries. The operations and investments of the Fund are undertaken by the Township in accordance with the regulations of the Funeral, Burial and Cremation Services Act, 2002.

CORPORATION OF THE TOWNSHIP OF RAMARA
RAMARA TOWNSHIP PUBLIC LIBRARY BOARD
FINANCIAL STATEMENTS
DECEMBER 31, 2021

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of the Ramara Township Public Library Board, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Ramara

We have reviewed the accompanying financial statements of the Ramara Township Public Library Board of the Corporation of the Township of Ramara (the Board), that comprise the statement of financial position as at December 31, 2021 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and other personnel, and inspecting supporting documents, to provide a basis for a limited assurance conclusion.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Board as at December 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 30, 2022

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	195,645	165,769
Accounts receivable	8,356	3,335
Due from the Township of Ramara (note 6)	-	766
TOTAL FINANCIAL ASSETS	204,001	169,870
LIABILITIES		
Due to the Township of Ramara (note 6)	57,444	-
NET FINANCIAL ASSETS	146,557	169,870
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	87,393	69,278
Prepaid expenses	200	1,312
TOTAL NON-FINANCIAL ASSETS	87,593	70,590
ACCUMULATED SURPLUS (note 5)	234,150	240,460

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2021

	Budget 2021 \$ (see Note 3)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Township contribution (note 6)	388,041	388,041	388,041
Provincial grants	24,370	24,744	24,370
Investment income	1,500	821	1,087
Other grants	1,500	14,593	2,544
Donations, fees and other	7,500	5,461	2,827
TOTAL REVENUES	422,911	433,660	418,869
EXPENSES			
Wages and benefits	336,251	305,588	295,240
Rent (note 6)	78,000	78,000	78,000
Administration	11,900	10,117	6,541
Supplies	7,200	4,623	7,210
Memberships	7,000	5,858	6,708
Insurance (note 6)	8,400	8,516	8,356
Telephone	3,000	3,700	3,637
Amortization	21,312	23,568	21,312
TOTAL EXPENSES	473,063	439,970	427,004
ANNUAL DEFICIT	<u>(50,152)</u>	(6,310)	(8,135)
ACCUMULATED SURPLUS - beginning of year		240,460	248,595
ACCUMULATED SURPLUS - end of year		234,150	240,460

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
ANNUAL DEFICIT	(50,152)	(6,310)	(8,135)
Amortization of tangible capital assets	21,312	23,568	21,312
Acquisition of tangible capital assets	(25,500)	(41,683)	(17,105)
Change in prepaid expenses	-	1,112	327
DECREASE IN NET FINANCIAL ASSETS	(54,340)	(23,313)	(3,601)
NET FINANCIAL ASSETS - beginning of year	169,870	169,870	173,471
NET FINANCIAL ASSETS - end of year	115,530	146,557	169,870

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(6,310)	(8,135)
Items not involving cash		
Amortization of tangible capital assets	23,568	21,312
Change in non-cash assets and liabilities		
Accounts receivable	(5,021)	(2,247)
Due from the Township of Ramara	766	33,816
Prepaid expenses	1,112	327
Due to the Township of Ramara	57,444	-
Net change in cash from operating activities	71,559	45,073
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(41,683)	(17,105)
NET CHANGE IN CASH	29,876	27,968
CASH - beginning of year	165,769	137,801
CASH - end of year	195,645	165,769

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of 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 and other grants are 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.

Donations, fees and other 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 of tangible capital assets are based on estimates of useful life and residual values.

(c) Tangible Capital Assets

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

Building improvements	20-60 years
Furniture and equipment	5-10 years
Library collection	7 years

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

(d) Non-Financial Assets

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

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Reserves and Reserve Funds

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

(f) Inter-Entity Transactions

The Ramara Township Public Library Board is a Board of the Township of Ramara 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. UNCERTAINTY CAUSED BY COVID-19

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

3. BUDGET FIGURES

The operating budget, approved by the Board, for 2021 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to review.

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

4. TANGIBLE CAPITAL ASSETS

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

	Building Improvements \$	Furniture and Equipment \$	Library Collection \$	2021 Totals \$	2020 Totals \$
COST					
Balance, beginning of year	67,088	109,838	112,699	289,625	285,737
Add: additions during the year	-	24,757	16,926	41,683	17,105
Less: disposals during the year	-	-	14,356	14,356	13,217
Balance, end of year	67,088	134,595	115,269	316,952	289,625
ACCUMULATED AMORTIZATION					
Balance, beginning of year	67,088	100,561	52,698	220,347	212,252
Add: additions during the year	-	5,221	18,347	23,568	21,312
Less: disposals during the year	-	-	14,356	14,356	13,217
Balance, end of year	67,088	105,782	56,689	229,559	220,347
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	-	28,813	58,580	87,393	69,278

5. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021 \$	2020 \$
Invested In Capital Assets		
Tangible capital assets - net book value	87,393	69,278
Reserve		
Future capital expenditures	102,167	127,033
Reserve Fund		
Expansion	44,590	44,149
	234,150	240,460

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

6. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Ramara.

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

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

	2021	2020
	\$	\$
Allocated costs:		
Rent	78,000	78,000
Insurance	8,516	8,356
	<hr/>	<hr/>
	86,516	86,356

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

- Accounting and administrative services
- Professional services

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

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS

FINANCIAL STATEMENTS

DECEMBER 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of the Lagoon City Parks & Waterways, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Ramara

Opinion

We have audited the financial statements of the Lagoon City Parks & Waterways of the Corporation of the Township of Ramara (the Board), which comprise the statement of financial position as at December 31, 2021, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for 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 30, 2022

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	100	100
Due from the Township of Ramara (note 5)	985,052	742,482
NET FINANCIAL ASSETS	985,152	742,582
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	1,020,072	920,753
ACCUMULATED SURPLUS (note 3)	2,005,224	1,663,335

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Levy billed by the Township of Ramara (note 5)	803,811	803,811	728,493
Interest income	-	7,426	4,052
Other	500	520	585
TOTAL REVENUES	804,311	811,757	733,130
EXPENSES			
Wages and benefits (note 5)	124,604	99,527	72,003
General and office	43,100	44,825	32,258
Repairs and maintenance	233,500	235,457	214,190
Insurance (note 5)	20,000	15,695	16,585
Professional fees	32,000	12,315	7,493
Vehicle operating and maintenance	500	3,302	2,201
Amortization	59,626	58,747	59,626
TOTAL EXPENSES	513,330	469,868	404,356
ANNUAL SURPLUS	<u>290,981</u>	341,889	328,774
ACCUMULATED SURPLUS - beginning of year		1,663,335	1,334,561
ACCUMULATED SURPLUS - end of year		<u>2,005,224</u>	<u>1,663,335</u>

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
ANNUAL SURPLUS	290,981	341,889	328,774
Amortization of tangible capital assets	59,626	58,747	59,626
Acquisition of tangible capital assets	(410,000)	(158,066)	(81,164)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(59,393)	242,570	307,236
NET FINANCIAL ASSETS - beginning of year	742,582	742,582	435,346
NET FINANCIAL ASSETS - end of year	683,189	985,152	742,582

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS STATEMENT OF CASH FLOWS For the Year Ended December 31, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	341,889	328,774
Items not involving cash		
Amortization of tangible capital assets	58,747	59,626
Change in non-cash assets and liabilities		
Due from the Township of Ramara	(242,570)	(307,236)
Net change in cash from operating activities	158,066	81,164
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(158,066)	(81,164)
NET CHANGE IN CASH	-	-
CASH - beginning of year	100	100
CASH - end of year	100	100

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of 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.

The Board recognizes Lagoon City Parks & Waterways Area tax levy revenue annually based on amounts levied by the Township of Ramara.

Interest and other revenue are recorded when the amounts are 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 of tangible capital assets are based on estimates of useful life and residual values.

(c) Tangible Capital Assets

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

Buildings and structures	25 years
Vehicles	10-15 years
Machinery and equipment	10-20 years
Linear assets	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.

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

(d) Non-Financial Assets

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

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Reserve Funds

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

(f) Inter-Entity Transactions

The Lagoon City Parks & Waterways is a Board of the Township of Ramara 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 continuity of the Board's tangible capital assets is as follows:

	Buildings and structures \$	Vehicles \$	Machinery and equipment \$	Linear assets \$	Assets Under Construction \$	2021 Totals \$	2020 Totals \$
COST							
Balance, beginning of year	51,106	55,549	679,283	550,745	81,164	1,417,847	1,336,683
Add: additions during the year	-	-	-	-	158,066	158,066	81,164
Balance, end of year	51,106	55,549	679,283	550,745	239,230	1,575,913	1,417,847
ACCUMULATED AMORTIZATION							
Balance, beginning of year	48,040	37,602	276,240	135,212	-	497,094	437,468
Add: additions during the year	2,044	3,745	29,085	23,873	-	58,747	59,626
Balance, end of year	50,084	41,347	305,325	159,085	-	555,841	497,094
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS							
	1,022	14,202	373,958	391,660	239,230	1,020,072	920,753

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	1,020,072	920,753
Reserve Fund		
Reserve Fund	985,152	742,582
	<u>2,005,224</u>	<u>1,663,335</u>

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2021 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. 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.

5. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Ramara.

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

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

	2021	2020
	\$	\$
Allocated costs:		
Wages and benefits	99,527	72,003
Insurance	15,695	16,585
Equipment rental	-	3,474
	<u>115,222</u>	<u>92,062</u>

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

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

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

6. COMMITMENT

During 2021, the Board entered into an agreement to purchase an aquatic plant harvester for \$368,210 USD. No amounts had been paid as of December 31, 2021.

7. UNCERTAINTY CAUSED BY COVID-19

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

8. COMPARATIVE FIGURES

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

9. CONTINGENT LIABILITIES

The Board, in the course of its operations, is sometimes named in lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.