



CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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TABLE OF CONTENTS

	Page Number
MANAGEMENT REPORT	
INDEPENDENT AUDITOR'S REPORT	
CONSOLIDATED FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Change in Net Financial Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 14
Schedule of Tangible Capital Assets	15
Schedules of Segment Disclosure	16 - 17
TRUST FUND	
Independent Auditor's Report	18
Statement of Financial Position	20
Statement of Continuity	20
Notes to the Financial Statements	21
LOCAL BOARDS	
Ramara Township Public Library Board	22 - 32
Lagoon City Parks & Waterways	33 - 43



2297 Highway 12,
PO Box 130
Breachin, Ontario L0K 1B0
p. 705-484-5374
f. 705-484-0441

CORPORATION OF THE TOWNSHIP OF RAMARA

For The Year Ended December 31, 2020

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.

DocuSigned by:

Basil Clarke
Mayor

DocuSigned by:

Zach Drinkwater
Treasurer

May 31, 2021

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, 2020, 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, 2020, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 31, 2021

CORPORATION OF THE TOWNSHIP OF RAMARA



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	12,332,791	11,881,126
Accounts receivable	2,114,043	1,909,427
Taxes receivable	3,033,256	2,747,400
Land held for sale	580,842	601,070
Long-term receivables (note 3)	1,722,641	1,957,749
Investments (note 4)	5,000,000	-
TOTAL FINANCIAL ASSETS	24,783,573	19,096,772
LIABILITIES		
Accounts payable and accrued liabilities	6,020,502	4,755,488
Deferred revenue - obligatory reserve funds (note 5)	3,383,394	2,698,652
Deferred revenue - other	275,030	254,569
Long term debt (note 6)	9,492,879	9,804,711
TOTAL LIABILITIES	19,171,805	17,513,420
NET FINANCIAL ASSETS	5,611,768	1,583,352
NON-FINANCIAL ASSETS		
Tangible capital assets (note 7)	55,396,850	55,740,828
Prepaid expenses	530,598	506,367
TOTAL NON-FINANCIAL ASSETS	55,927,448	56,247,195
ACCUMULATED SURPLUS (note 8)	61,539,216	57,830,547

The accompanying notes are an integral part of these financial statements

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

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Property taxation	13,675,524	13,775,928	12,541,072
User charges	4,113,720	4,060,975	4,213,264
Government of Canada	-	19,393	3,920
Province of Ontario	1,918,070	1,755,248	2,048,626
Other municipalities	115,000	70,210	51,565
Penalties and interest on taxes	350,000	100,143	391,332
Investment income	203,730	132,281	212,359
Sale of land and other sales	91,000	80,992	896,805
Capital contributions	15,000	5,842	310,351
Developer contributions earned	292,089	-	-
Federal gas tax earned	-	-	275,015
Other revenue	217,500	102,837	102,179
TOTAL REVENUES	20,991,633	20,103,849	21,046,488
EXPENSES			
General government	2,603,265	2,610,970	2,459,726
Protection services	4,330,857	4,158,677	3,893,852
Transportation services	5,052,574	4,530,195	4,842,365
Environmental services	3,098,794	3,287,094	3,078,649
Health services	14,756	(2,839)	1,307
Recreation and cultural services	1,758,843	1,253,262	1,510,769
Planning and development	614,390	557,821	1,098,304
TOTAL EXPENSES	17,473,479	16,395,180	16,884,972
ANNUAL SURPLUS	<u>3,518,154</u>	3,708,669	4,161,516
ACCUMULATED SURPLUS - beginning of year		57,830,547	53,669,031
ACCUMULATED SURPLUS - end of year		61,539,216	57,830,547

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2020

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
ANNUAL SURPLUS	3,518,154	3,708,669	4,161,516
Amortization of tangible capital assets	2,562,241	2,568,386	2,562,241
Purchase of tangible capital assets	(5,363,228)	(2,321,168)	(1,692,918)
Loss on disposal of tangible capital assets	-	22,672	102,681
Proceeds on sale of tangible capital assets	-	74,088	-
Change in prepaid expenses	-	(24,231)	(306,507)
CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)	717,167	4,028,416	4,827,013
NET FINANCIAL ASSETS/(NET DEBT) - beginning of year	1,583,352	1,583,352	(3,243,661)
NET FINANCIAL ASSETS - end of year	2,300,519	5,611,768	1,583,352

The accompanying notes are an integral part of these financial statements

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

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	3,708,669	4,161,516
Items not involving cash		
Amortization of tangible capital assets	2,568,386	2,562,241
Loss on disposal of tangible capital assets	22,672	102,681
Change in non-cash assets and liabilities		
Accounts receivable	(204,616)	(360,765)
Taxes receivable	(285,856)	(442,113)
Land held for sale	20,228	681,507
Long-term receivables	235,108	(155,011)
Prepaid expenses	(24,231)	(306,507)
Accounts payable and accrued liabilities	1,265,014	834
Deferred revenue - obligatory reserve funds	684,742	662,033
Deferred revenue - other	20,461	62,830
Net change in cash from operating activities	8,010,577	6,969,246
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,321,168)	(1,692,918)
Proceeds on disposal of tangible capital assets	74,088	-
Net change in cash from capital activities	(2,247,080)	(1,692,918)
INVESTING ACTIVITIES		
Purchase of investments	(5,000,000)	-
FINANCING ACTIVITIES		
Debt principal repayments	(311,832)	(298,597)
NET CHANGE IN CASH	451,665	4,977,731
CASH - beginning of year	11,881,126	6,903,395
CASH - end of year	12,332,791	11,881,126

The accompanying notes are an integral part of these financial statements

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

The Township of 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.

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 annually as amounts are billed to residents.

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) 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.

(f) 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.

(g) 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.

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 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.

3. LONG-TERM RECEIVABLES

Long-term receivables consist of the following:

	2020	2019
	\$	\$
Brechin sewer assessment	1,644,332	1,718,583
Simcoe road sewer assessment	-	6,137
Bayview Drive watermain extention	78,309	233,029
	1,722,641	1,957,749

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

4. INVESTMENTS

Investments consist of CIBC principal protected notes recorded at cost. The investments have a cost of \$5,000,000 and a market value of \$4,999,190.

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

	2020	2019
	\$	\$
Development charges	2,026,707	1,656,898
Parkland	146,319	127,048
Federal gas tax	1,210,368	914,706
	3,383,394	2,698,652

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

	2020	2019
	\$	\$
Balance - beginning of year	2,698,652	2,036,619
Add amounts received:		
Development charges	353,241	309,795
Parkland	18,000	11,000
Federal gas tax	287,830	588,750
Interest	25,671	27,503
	684,742	937,048
Less transfer to operations:		
Federal gas tax earned	-	275,015
Balance - end of year	3,383,394	2,698,652

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

6. LONG TERM DEBT

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

	2020	2019
	\$	\$
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	4,137,904	4,264,249
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	2,296,808	2,393,774
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	3,058,167	3,146,688
	9,492,879	9,804,711

- (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, 2020 is \$66,394 (2019 - \$85,125). 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 \$441,237 (2019 - \$407,964).
- (e) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2021	325,711	427,329	753,040
2022	340,265	412,775	753,040
2023	369,429	383,611	753,040
2024	377,389	375,651	753,040
2025	385,832	367,208	753,040
2026 and subsequent years	7,694,253	4,581,623	12,275,876
	9,492,879	6,548,197	16,041,076

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

7. TANGIBLE CAPITAL ASSETS

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

	2020	2019
	\$	\$
General		
Land and land improvements	15,174,851	15,220,239
Buildings and structures	6,588,758	6,840,063
Furniture and office equipment	218,677	264,641
Machinery and equipment	5,800,660	5,966,922
Vehicles	3,176,453	2,815,532
Infrastructure		
Roads and bridges	11,800,398	11,863,268
Water and sewer	11,234,911	11,247,725
Parks and waterways	499,534	536,089
	54,494,242	54,754,479
Assets under construction	902,608	986,349
	55,396,850	55,740,828

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

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

Tangible capital assets allocated by segment are as follows:

	2020	2019
	\$	\$
General government	6,283,868	6,588,444
Protection services	4,374,955	4,601,471
Transportation services	19,906,566	19,523,694
Environmental services	18,067,387	18,193,193
Health services	134,081	138,159
Recreation and cultural services	6,629,993	6,695,867
	55,396,850	55,740,828

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

8. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
Surplus/(Deficit)		
Sewage works	2,462,340	2,889,070
Brechin sewers	(3,200,248)	(3,200,248)
Equity in land held for sale	535,162	512,340
	<u>(202,746)</u>	<u>201,162</u>
Invested In Capital Assets		
Tangible capital assets - net book value	55,396,850	55,740,828
Long term debt related to tangible capital asset acquisition	(8,745,464)	(9,034,475)
Unfunded capital	(167,645)	(167,645)
	<u>46,483,741</u>	<u>46,538,708</u>
Surplus	<u>46,280,995</u>	<u>46,739,870</u>
Reserves		
Working capital	4,756,655	3,268,151
Contingencies	364,634	64,634
Rate stabilization	643,548	643,548
Municipal projects	594,842	619,935
Mosquito control	35,681	32,249
Waterworks	1,226,155	1,227,012
Capital expenditures - Township	6,595,015	4,494,722
Capital expenditures - Library	127,033	131,398
Total Reserves	<u>14,343,563</u>	<u>10,481,649</u>
Reserve Funds		
Equipment and housing	121,674	120,469
Ramara trails	6,253	9,501
Library expansion	44,149	43,712
Lagoon City dredging	742,582	435,346
Total Reserve Funds	<u>914,658</u>	<u>609,028</u>
	<u>61,539,216</u>	<u>57,830,547</u>

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

9. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF SIMCOE

During 2020, 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	4,437,828	6,661,767

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 2020 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 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
Salaries and benefits	6,465,243	6,010,703	5,701,162
Interest charges	396,703	396,049	407,964
Materials	2,919,361	2,053,059	2,673,009
Contracted services	5,083,646	5,153,365	4,644,573
Rents and financial	2,285	1,529	37,356
External transfers	79,000	124,000	28,000
Amortization	2,562,241	2,568,386	2,562,241
Loss on disposal of tangible capital assets	(35,000)	22,672	102,681
Cost of sale of land	-	65,417	727,986
	17,473,479	16,395,180	16,884,972

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

The Township's required contributions to OMERS in 2020 were \$410,725 (2019 - \$366,354).

13. TRUST FUNDS

Trust funds administered by the Township amounting to \$16,338 (2019 - \$15,980) 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.

14. 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 \$3,500,000 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 2020-22. At December 31, 2020 there was no balance outstanding (2019 - \$Nil).

15. 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.

16. 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.

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.

16. SEGMENTED INFORMATION, continued

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.

17. COMPARATIVE FIGURES

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

CORPORATION OF THE TOWNSHIP OF RAMARA



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

	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	1,464,772	14,636,556	5,973,538	32,149,559	20,817,568	818,698	986,349	104,083,174
Add: additions during the year	-	-	17,104	304,441	752,542	348,104	21,210	-	877,767	2,321,168
Less: disposals during the year	-	-	13,217	345,032	420,927	156,555	2,703	-	-	938,434
Internal transfers	-	-	-	-	-	562,606	398,902	-	(961,508)	-
Balance, end 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
ACCUMULATED AMORTIZATION										
Balance, beginning of year	718,759	4,457,073	1,200,131	8,669,634	3,158,006	20,286,291	9,569,843	282,609	-	48,342,346
Add: additions during the year	45,388	251,305	63,068	470,703	331,635	938,329	431,403	36,555	-	2,568,386
Less: disposals during the year	-	-	13,217	345,032	360,941	121,304	1,180	-	-	841,674
Balance, end 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
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	15,174,851	6,588,758	218,677	5,800,660	3,176,453	11,800,398	11,234,911	499,534	902,608	55,396,850

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	73,063	16	368	53,204	-	-	5,630	-	132,281
Sale of land and other sales	-	-	2,912	946	-	-	-	77,134	80,992
Capital contributions	-	-	-	5,842	-	-	-	-	5,842
Other revenue	9,827	42,925	13,225	-	-	6,226	30,634	-	102,837
Total revenues	3,061,295	4,593,933	7,026,101	3,034,996	31,481	(10,854)	1,804,454	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)	450,325	435,256	2,495,906	(249,733)	29,116	(8,015)	551,192	4,622	3,708,669

CORPORATION OF THE TOWNSHIP OF RAMARA



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	1,297,531	3,588,884	6,056,111	-	19,575	10,500	1,400,140	168,331	12,541,072
User charges	368,949	465,130	17,130	3,031,862	30,286	100	124,486	175,321	4,213,264
Government transfers - operating	1,099,900	7,567	676,935	-	-	-	39,559	(677)	1,823,284
Government transfers - capital	-	-	229,262	-	-	-	-	-	229,262
Other municipalities	3,000	32,565	-	-	-	-	16,000	-	51,565
Penalties and interest on taxes	391,332	-	-	-	-	-	-	-	391,332
Investment income	154,181	74	716	50,142	-	-	7,246	-	212,359
Sale of land and other sales	53,022	-	995	103	-	-	-	842,685	896,805
Capital contributions	-	-	-	310,351	-	-	-	-	310,351
Federal gas tax earned	-	-	275,015	-	-	-	-	-	275,015
Other revenue	39,109	2,831	16,826	-	-	6,096	37,317	-	102,179
Total revenues	3,407,024	4,097,051	7,272,990	3,392,458	49,861	16,696	1,624,748	1,185,660	21,046,488
Expenses									
Salaries and benefits	1,480,265	1,182,886	1,306,285	815,567	149	435	727,519	188,056	5,701,162
Interest charges	128,107	-	-	279,857	-	-	-	-	407,964
Materials	334,329	339,322	1,119,146	635,604	-	11,777	214,653	18,178	2,673,009
Contracted services	241,948	2,061,720	1,219,186	558,642	679	9,917	408,397	144,084	4,644,573
Rents and financial	32,025	5,263	-	-	-	-	68	-	37,356
External transfers	8,000	-	-	-	-	-	-	20,000	28,000
Amortization	163,339	298,062	1,136,389	788,014	-	6,756	169,681	-	2,562,241
Loss on disposal of tangible capital assets	-	-	102,681	-	-	-	-	-	102,681
Internal transfers	71,713	6,599	(41,322)	137	-	(27,578)	(9,549)	-	-
Cost of sale of land	-	-	-	-	-	-	-	727,986	727,986
Total expenses	2,459,726	3,893,852	4,842,365	3,077,821	828	1,307	1,510,769	1,098,304	16,884,972
Net surplus	947,298	203,199	2,430,625	314,637	49,033	15,389	113,979	87,356	4,161,516

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, 2020, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2020, 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
May 31, 2021



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

	2020 Cemetery Care and Maintenance \$	2019 Cemetery Care and Maintenance \$
FINANCIAL ASSETS		
Investment (note 2)	16,338	15,980
FUND BALANCE	16,338	15,980

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

	2020 Cemetery Care and Maintenance \$	2019 Cemetery Care and Maintenance \$
BALANCE - beginning of year	15,980	15,590
RECEIPTS		
Capital dividends	358	390
BALANCE - end of year	16,338	15,980

The accompanying notes are an integral part of these financial statements

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(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 \$18,536.

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, 2020

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, 2020 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 others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many Public Library Boards, the Board derives revenue from donations, fees and other, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purposes of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to donations, fees and other revenue, annual surplus/(deficit), assets and accumulated surplus.

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 these financial statements are not, in all material respects, the financial position of the Board as at December 31, 2020 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
May 31, 2021

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	165,769	137,801
Accounts receivable	3,335	1,088
Due from the Township of Ramara (note 4)	766	34,582
NET FINANCIAL ASSETS	169,870	173,471
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	69,278	73,485
Prepaid expenses	1,312	1,639
TOTAL NON-FINANCIAL ASSETS	70,590	75,124
ACCUMULATED SURPLUS (note 3)	240,460	248,595

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, 2020**

	Budget 2020 \$ (see Note 5)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Township contribution (note 4)	388,041	388,041	440,030
Provincial grants	24,370	24,370	24,370
Investment income	1,500	1,087	2,513
Other grants	1,500	2,544	1,564
Donations, fees and other	7,600	2,827	11,619
TOTAL REVENUES	423,011	418,869	480,096
EXPENSES			
Wages and benefits	314,611	295,240	307,498
Rent	78,000	78,000	78,000
Administration	13,300	6,541	16,009
Supplies	5,200	7,210	7,425
Memberships	7,600	6,708	11,328
Insurance	8,300	8,356	8,295
Telephone	3,000	3,637	2,310
Amortization	22,921	21,312	22,921
TOTAL EXPENSES	452,932	427,004	453,786
ANNUAL SURPLUS/(DEFICIT)	<u>(29,921)</u>	(8,135)	26,310
ACCUMULATED SURPLUS - beginning of year		248,595	222,285
ACCUMULATED SURPLUS - end of year		240,460	248,595

The accompanying notes are an integral part of these financial statements

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2020

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
ANNUAL SURPLUS/(DEFICIT)	(29,921)	(8,135)	26,310
Amortization of tangible capital assets	22,921	21,312	22,921
Acquisition of tangible capital assets	(25,500)	(17,105)	(23,977)
Change in prepaid expenses	-	327	669
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(32,500)	(3,601)	25,923
NET FINANCIAL ASSETS - beginning of year	173,471	173,471	147,548
NET FINANCIAL ASSETS - end of year	140,971	169,870	173,471

The accompanying notes are an integral part of these financial statements

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	(8,135)	26,310
Items not involving cash		
Amortization of tangible capital assets	21,312	22,921
Change in non-cash assets and liabilities		
Accounts receivable	(2,247)	(1,088)
Due from the Township of Ramara	33,816	16,874
Prepaid expenses	327	669
Net change in cash from operating activities	45,073	65,686
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(17,105)	(23,977)
NET CHANGE IN CASH	27,968	41,709
CASH - beginning of year	137,801	96,092
CASH - end of year	165,769	137,801

The accompanying notes are an integral part of these financial statements

**RAMARA TOWNSHIP PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of Revenue and Expenses

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

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Reserves and Reserve Funds

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

(f) Inter-Entity Transactions

The 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. TANGIBLE CAPITAL ASSETS

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

	Building Improvements \$	Furniture and Equipment \$	Library Collection \$	2020 Totals \$	2019 Totals \$
COST					
Balance, beginning of year	67,088	109,838	108,811	285,737	272,531
Add: additions during the year	-	-	17,105	17,105	23,977
Less: disposals during the year	-	-	13,217	13,217	10,771
Balance, end of year	67,088	109,838	112,699	289,625	285,737
ACCUMULATED AMORTIZATION					
Balance, beginning of year	67,088	94,840	50,324	212,252	200,102
Add: additions during the year	-	5,721	15,591	21,312	22,921
Less: disposals during the year	-	-	13,217	13,217	10,771
Balance, end of year	67,088	100,561	52,698	220,347	212,252
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	-	9,277	60,001	69,278	73,485



RAMARA TOWNSHIP PUBLIC LIBRARY BOARD
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 2020

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	69,278	73,485
Reserve		
Future capital expenditures	127,033	131,398
Reserve Fund		
Expansion	44,149	43,712
	240,460	248,595

4. 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:

	2020	2019
	\$	\$
Allocated costs:		
Rent	78,000	78,000
Insurance	8,356	8,295
	86,356	86,295

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.

5. BUDGET FIGURES

The operating budget, approved by the Board, for 2020 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. 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.

6. UNCERTAINTY CAUSED BY COVID-19

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



CORPORATION OF THE TOWNSHIP OF RAMARA
LAGOON CITY PARKS & WATERWAYS
FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 31, 2021

CORPORATION OF THE TOWNSHIP OF RAMARA



**LAGOON CITY PARKS & WATERWAYS
STATEMENT OF FINANCIAL POSITION
At December 31, 2020**

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	100	100
Due from the Township of Ramara (note 5)	742,482	435,246
NET FINANCIAL ASSETS	742,582	435,346
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	920,753	899,215
ACCUMULATED SURPLUS (note 3)	1,663,335	1,334,561

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, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Levy billed by the Township of Ramara (note 5)	728,493	728,493	591,437
Interest income	-	4,052	3,624
Other	500	585	459
TOTAL REVENUES	728,993	733,130	595,520
EXPENSES			
Wages and benefits	124,393	72,004	98,595
General and office	187,600	165,239	194,170
Repairs and maintenance	164,000	81,208	83,073
Insurance	12,000	16,585	10,897
Professional fees	32,000	7,493	12,912
Vehicle operating and maintenance	1,000	2,201	2,121
Amortization	59,876	59,626	59,876
TOTAL EXPENSES	580,869	404,356	461,644
ANNUAL SURPLUS	<u>148,124</u>	328,774	133,876
ACCUMULATED SURPLUS - beginning of year		1,334,561	1,200,685
ACCUMULATED SURPLUS - end of year		1,663,335	1,334,561

The accompanying notes are an integral part of these financial statements

LAGOON CITY PARKS & WATERWAYS
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2020

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
ANNUAL SURPLUS	148,124	328,774	133,876
Amortization of tangible capital assets	59,876	59,626	59,876
Acquisition of tangible capital assets	(208,000)	(81,164)	-
INCREASE IN NET FINANCIAL ASSETS	-	307,236	193,752
NET FINANCIAL ASSETS - beginning of year	435,346	435,346	241,594
NET FINANCIAL ASSETS - end of year	435,346	742,582	435,346

The accompanying notes are an integral part of these financial statements

LAGOON CITY PARKS & WATERWAYS
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	328,774	133,876
Items not involving cash		
Amortization of tangible capital assets	59,626	59,876
Change in non-cash assets and liabilities		
Due from the Township of Ramara	(307,236)	(193,752)
Net change in cash from operating activities	81,164	-
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(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

**LAGOON CITY PARKS & WATERWAYS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of Revenue and Expenses

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

LAGOON CITY PARKS & WATERWAYS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

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 \$	2020 Totals \$	2019 Totals \$
COST							
Balance, beginning of year	51,106	55,549	679,283	550,745	-	1,336,683	1,336,683
Add: additions during the year	-	-	-	-	81,164	81,164	-
Balance, end of year	51,106	55,549	679,283	550,745	81,164	1,417,847	1,336,683
ACCUMULATED AMORTIZATION							
Balance, beginning of year	45,995	33,229	246,905	111,339	-	437,468	377,592
Add: additions during the year	2,045	4,373	29,335	23,873	-	59,626	59,876
Balance, end of year	48,040	37,602	276,240	135,212	-	497,094	437,468
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS							
	3,066	17,947	403,043	415,533	81,164	920,753	899,215

LAGOON CITY PARKS & WATERWAYS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	920,753	899,215
Reserve Fund		
Reserve Fund	742,582	435,346
	1,663,335	1,334,561

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2020 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. 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:

	2020	2019
	\$	\$
Allocated costs:		
Wages and benefits	72,003	98,597
Insurance	16,585	10,897
Equipment rental	3,474	3,053
	92,062	112,547

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.

**LAGOON CITY PARKS & WATERWAYS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

6. COMMITMENT

During 2019, the Board entered into a three year agreement for a maintenance contractor. 2020 costs were \$38,110. 2021 estimated costs include a 3% inflationary increase.

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. 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.