

**CORPORATION OF THE TOWNSHIP OF CRAMAHE**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**CORPORATION OF THE TOWNSHIP OF CRAMAHE**

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## CORPORATION OF THE TOWNSHIP OF CRAMAHE

For The Year Ended December 31, 2020

### MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Cramahe 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 Cramahe. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

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

Mayor

CAO/Treasurer

April 20, 2021

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

We have audited the consolidated financial statements of the Corporation of the Township of Cramahe 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  
April 23, 2021

**CORPORATION OF THE TOWNSHIP OF CRAMAHE****CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At December 31, 2020**

	2020	2019
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	5,824,505	5,287,836
Investments (note 2)	2,626,164	2,590,758
Accounts receivable	541,654	572,828
Taxes receivable	933,957	779,784
Land held for sale	695,669	695,669
<b>TOTAL FINANCIAL ASSETS</b>	<b>10,621,949</b>	<b>9,926,875</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	876,268	1,151,375
Deferred revenue - obligatory reserve funds (note 5)	1,805,715	1,566,302
Deferred revenue - other (note 6)	36,850	48,808
Long term debt (note 7)	3,982,646	4,161,436
<b>TOTAL LIABILITIES</b>	<b>6,701,479</b>	<b>6,927,921</b>
<b>NET FINANCIAL ASSETS</b>	<b>3,920,470</b>	<b>2,998,954</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 8)	27,517,165	27,393,926
Inventories of materials and supplies	16,649	16,649
Prepaid expenses	225	225
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>27,534,039</b>	<b>27,410,800</b>
<b>ACCUMULATED SURPLUS (note 9)</b>	<b>31,454,509</b>	<b>30,409,754</b>

*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 \$
<b>REVENUES</b>			
Property taxation	6,192,874	6,139,455	5,854,370
User charges	1,782,480	1,748,656	1,738,321
Government of Canada	2,750	3,875	1,917
Province of Ontario	1,450,331	1,232,901	1,783,073
Penalties and interest on taxes	135,000	82,587	133,694
Investment income	130,000	76,613	125,587
Donations	-	399	29,388
Contributed assets	-	9,730	-
Developer contributions earned	165,000	153,323	326,750
Federal gas tax earned	142,000	142,000	192,787
Other revenue	120,000	31,636	-
<b>TOTAL REVENUES</b>	<b>10,120,435</b>	<b>9,621,175</b>	<b>10,185,887</b>
<b>EXPENSES</b>			
General government	1,391,639	1,306,509	1,363,851
Protection services	2,088,303	1,909,381	1,958,620
Transportation services	2,812,092	2,644,733	2,673,039
Environmental services	1,573,024	1,313,066	1,298,895
Health services	12,920	18,128	17,912
Recreation and cultural services	1,594,233	1,162,180	1,226,130
Planning and development	298,080	222,423	278,520
<b>TOTAL EXPENSES</b>	<b>9,770,291</b>	<b>8,576,420</b>	<b>8,816,967</b>
<b>ANNUAL SURPLUS</b>	<b><u>350,144</u></b>	<b>1,044,755</b>	<b>1,368,920</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>30,409,754</b>	<b>29,040,834</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>31,454,509</b>	<b>30,409,754</b>

*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE TOWNSHIP OF CRAMAHE**



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

	Budget 2020 \$ (unaudited)	Actual 2020 \$	Actual 2019 \$
<b>ANNUAL SURPLUS</b>	350,144	1,044,755	1,368,920
Amortization of tangible capital assets	1,138,013	1,125,071	1,138,013
Purchase of tangible capital assets	(1,383,765)	(1,252,084)	(1,712,278)
Loss (gain) on disposal of tangible capital assets	-	13,504	43,889
Contributed assets	-	(9,730)	-
<b>INCREASE IN NET FINANCIAL ASSETS</b>	104,392	921,516	838,544
<b>NET FINANCIAL ASSETS - beginning of year</b>	2,998,954	2,998,954	2,160,410
<b>NET FINANCIAL ASSETS - end of year</b>	3,103,346	3,920,470	2,998,954

*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
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	1,044,755	1,368,920
Items not involving cash		
Amortization of tangible capital assets	1,125,071	1,138,013
Loss on disposal of tangible capital assets	13,504	43,889
Contributed assets	(9,730)	-
Change in non-cash assets and liabilities		
Accounts receivable	31,174	(101,064)
Taxes receivable	(154,173)	(47,586)
Accounts payable and accrued liabilities	(275,107)	(151,456)
Deferred revenue - obligatory reserve funds	239,413	89,309
Deferred revenue - other	(11,958)	(133,903)
<b>Net change in cash from operating activities</b>	<b>2,002,949</b>	<b>2,206,122</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(1,252,084)	(1,712,278)
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(35,406)	(61,741)
<b>FINANCING ACTIVITIES</b>		
Long term debt issued	-	1,720,000
Debt principal repayments	(178,790)	(196,410)
<b>Net change in cash from financing activities</b>	<b>(178,790)</b>	<b>1,523,590</b>
<b>NET CHANGE IN CASH</b>	<b>536,669</b>	<b>1,955,693</b>
<b>CASH - beginning of year</b>	<b>5,287,836</b>	<b>3,332,143</b>
<b>CASH - end of year</b>	<b>5,824,505</b>	<b>5,287,836</b>

*The accompanying notes are an integral part of these financial statements*

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

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The Township of Cramahe is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned and controlled by the Township. These consolidated financial statements include:

- Cramahe Township Public Library Board

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 - 50 years
Buildings and facilities	10 - 50 years
Machinery and equipment	5 - 15 years
Vehicles	7 - 20 years
Roads	10 - 40 years
Water and sewer	15 - 90 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.

Sales of land held for resale are recognized as revenue in the year the title passes to the purchaser.

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

(e) Non-financial Assets

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

(f) Reserves and Reserve Funds

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

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

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**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

(g) Deferred Revenue

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

(h) Use of Estimates

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements or changes in such estimates in future periods could be significant. The Township's significant estimates include:

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values.

(i) Inventory Held for Resale

Inventory held for resale, which consists primarily of land, is stated at cost, with cost of land being the purchase price plus the cost to prepare the land for resale.

**2. INVESTMENTS**

Investments are recorded at cost and include a high interest savings account with a book value of \$2,626,164 (2019 - \$2,590,758) and market value of \$2,626,164 (2019 - \$2,590,578).

**3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND**

During 2020, requisitions were made by the County of Northumberland 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	1,824,170	3,923,086

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

**4. 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 \$1,000,000 a revolving line of credit. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2020-01. At December 31, 2020 there was no balance outstanding (2019 - \$Nil).

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

**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
	\$	\$
Parkland	98,255	95,099
Development charges	568,246	396,053
Federal gas tax	1,139,214	1,075,150
	<b>1,805,715</b>	<b>1,566,302</b>

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

	2020	2019
	\$	\$
Balance - beginning of year	1,566,302	1,476,993
Add amounts received:		
Development charges	316,865	177,543
Federal gas tax	192,787	389,820
Interest	22,884	37,083
Parkland fees	2,200	4,400
	<b>534,736</b>	<b>608,846</b>
Less transfer to operations:		
Development charges	153,323	326,750
Federal gas tax	142,000	192,787
	<b>295,323</b>	<b>519,537</b>
Balance - end of year	<b>1,805,715</b>	<b>1,566,302</b>

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

6. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2020	2019
	\$	\$
Safe Restart Funding	35,000	-
Main Street Revitalization	-	43,268
Other	1,850	5,540
	<u>36,850</u>	<u>48,808</u>

The continuity of deferred revenue - other is as follows:

	2020	2019
	\$	\$
Balance - beginning of year	48,808	182,711
Add amounts received:		
Safe Restart Funding	209,600	-
Other	1,000	1,102
	<u>210,600</u>	<u>1,102</u>
Less transfer to operations:		
Main Street Revitalization	43,268	-
Safe Restart Funding	174,600	-
Other	4,690	-
Ontario Trillium Foundation	-	135,005
	<u>222,558</u>	<u>135,005</u>
Balance - end of year	<u>36,850</u>	<u>48,808</u>

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

**7. 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
	\$	\$
OILC debenture, due November 15, 2049, repayable in blended semi-annual installments of \$43,173, interest rate fixed at 2.91% per annum.	1,683,442	1,720,000
OILC debenture, due September 15, 2047, repayable in blended semi-annual installments of \$53,312, interest rate fixed at 3.51% per annum.	1,850,479	1,891,079
Long term loan from CMHC, due November 1, 2024, repayable in blended annual installments of \$123,590, interest rate fixed at 3.99% per annum.	448,725	550,357
	<b>3,982,646</b>	<b>4,161,436</b>

- (b) The long term debt in (a) issued in the name of the Township have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (c) Interest paid during the year on long term debt amounted to \$137,771 (2019 - \$95,079).
- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2021	185,353	131,207	316,560
2022	192,162	124,398	316,560
2023	199,223	117,337	316,560
2024	206,548	110,012	316,560
2025	90,554	102,415	192,969
2026 and subsequent years	3,108,806	1,309,218	4,418,024
	<b>3,982,646</b>	<b>1,894,587</b>	<b>5,877,233</b>

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

8. TANGIBLE CAPITAL ASSETS

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

	2020	2019
	\$	\$
General		
Land and land improvements	2,076,890	2,078,073
Buildings and facilities	4,176,809	3,899,466
Machinery and equipment	800,379	627,854
Vehicles	790,371	904,093
Infrastructure		
Roads	6,866,279	6,797,349
Water and sewer	11,980,857	11,617,070
	26,691,585	25,923,905
Assets under construction	825,580	1,470,021
	27,517,165	27,393,926

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).

The allocation of tangible capital assets by segment is as follows:

	2020	2019
	\$	\$
General government	431,394	455,410
Protection services	2,176,265	2,245,832
Transportation services	8,634,100	8,189,566
Environmental services	12,567,883	12,731,816
Health services	128,579	128,579
Recreation and cultural services	3,074,722	3,148,230
Planning and development	504,222	494,493
	27,517,165	27,393,926



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

9. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2020	2019
	\$	\$
<b>Surplus/(Deficit)</b>		
Community Police Services Board	10,547	11,047
Area rates	(10,316)	(5,408)
Land inventory held for resale	695,669	695,669
Colborne Creek - unfinanced	(169,881)	(169,881)
Sewer operations	(121,872)	(231,635)
	404,147	299,792
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	27,517,165	27,393,926
Long term debt	(3,982,646)	(4,161,436)
Unfunded capital (note 9(b))	(251,333)	(429,033)
	23,283,186	22,803,457
<b>Surplus</b>	23,687,333	23,103,249
<b>Reserves</b>		
Working funds	440,768	440,768
Sewer operations	72,963	142,029
Future capital	588,866	553,868
Waterworks operations	2,112,793	2,027,267
Community projects	3,018	1,018
Transportation services	2,183,290	1,774,290
Fire services	565,599	495,599
Workplace Safety and Insurance Board	200,565	200,565
Planning and development operations	329,225	314,225
General government operations	508,177	660,677
Library operations	46,121	32,408
Police	335,067	330,067
Animal control	11,157	11,157
Benefit stabilization	208,833	208,833
Recreation	117,781	70,781
Cemetery	36,770	36,770
<b>Total Reserves</b>	7,760,993	7,300,322
<b>Reserve Funds</b>		
Library services	6,183	6,183
	31,454,509	30,409,754

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

**9. ACCUMULATED SURPLUS, continued**

(b) Unfinanced capital consists of the following:

	2020	2019
	\$	\$
County Road 2 watermain	(28,818)	-
Well rehabilitation	(72,003)	(194,163)
Durham Street	(92,879)	(179,012)
Gravity sewer extension	(26,398)	(24,623)
Colborne Library	(31,235)	(31,235)
	<b>(251,333)</b>	<b>(429,033)</b>

**10. 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 \$171,993 (2019 - \$158,940).

**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	Actual 2020	Actual 2019
	\$	\$	\$
	(Unaudited)		
Salaries and benefits	2,924,517	2,816,546	2,817,424
Interest charges	230,214	137,771	95,079
Materials	3,575,937	2,657,691	2,797,341
Contracted services	1,754,224	1,648,167	1,754,787
Rents and financial	16,200	16,156	15,117
External transfers	131,186	161,514	155,317
Amortization	1,138,013	1,125,071	1,138,013
Loss on disposal of tangible capital assets	-	13,504	43,889
	<b>9,770,291</b>	<b>8,576,420</b>	<b>8,816,967</b>

**12. TRUST FUNDS**

Trust funds administered by the Township amounting to \$60,126 (2019 - \$58,516) 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.

**13. 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.

**14. SEGMENTED INFORMATION**

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

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

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

**General Government**

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

**Protection Services**

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

**Transportation Services**

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

**Environmental Services**

The environmental function is responsible for water and sewer operations and waste management services not covered by the County of Northumberland.

**14. SEGMENTED INFORMATION, continued**

**Health Services**

The health services function includes the operation of the East Colborne cemetery.

**Recreation and Cultural Services**

The recreation and cultural services function provides indoor and outdoor recreational facilities, recreation programs and library services.

**Planning and Development**

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

**15. UNCERTAINTY CAUSED BY COVID-19**

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

**CORPORATION OF THE TOWNSHIP OF CRAMAHE**



**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 facilities	Machinery and equipment	Vehicles	Roads	Water and sewer		
	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>								
Balance, beginning of year	2,568,312	7,278,061	1,061,463	3,504,401	15,669,304	14,523,382	1,470,021	46,074,944
Add: additions during the year	9,730	20,444	270,103	63,268	505,792	29,353	363,124	1,261,814
Less: disposals during the year	-	-	33,217	-	60,636	1,636	-	95,489
Internal transfers	-	409,525	-	-	-	598,040	(1,007,565)	-
<b>Balance, end of year</b>	<b>2,578,042</b>	<b>7,708,030</b>	<b>1,298,349</b>	<b>3,567,669</b>	<b>16,114,460</b>	<b>15,149,139</b>	<b>825,580</b>	<b>47,241,269</b>
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	490,239	3,378,595	433,609	2,600,308	8,871,955	2,906,312	-	18,681,018
Add: additions during the year	10,913	152,626	97,578	176,990	423,359	263,605	-	1,125,071
Less: disposals during the year	-	-	33,217	-	47,133	1,635	-	81,985
<b>Balance, end of year</b>	<b>501,152</b>	<b>3,531,221</b>	<b>497,970</b>	<b>2,777,298</b>	<b>9,248,181</b>	<b>3,168,282</b>	<b>-</b>	<b>19,724,104</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>2,076,890</b>	<b>4,176,809</b>	<b>800,379</b>	<b>790,371</b>	<b>6,866,279</b>	<b>11,980,857</b>	<b>825,580</b>	<b>27,517,165</b>

# CORPORATION OF THE TOWNSHIP OF CRAMAHE



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

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	608,941	1,810,713	2,220,811	50,500	12,920	1,280,790	154,780	6,139,455
User charges	56,348	121,600	24,694	1,410,528	2,861	103,650	28,975	1,748,656
Government transfers - operating	810,300	13,957	254,379	5,557	-	16,544	-	1,100,737
Government transfers - capital	43,268	-	92,771	-	-	-	-	136,039
Penalties and interest on taxes	82,587	-	-	-	-	-	-	82,587
Investment income	76,613	-	-	-	-	-	-	76,613
Donations	-	-	-	-	-	399	-	399
Contributed assets	9,730	-	-	-	-	-	-	9,730
Developer contributions earned	-	10,000	125,000	-	-	18,323	-	153,323
Federal gas tax earned	-	-	142,000	-	-	-	-	142,000
Other revenue	-	-	31,636	-	-	-	-	31,636
<b>Total revenues</b>	<b>1,687,787</b>	<b>1,956,270</b>	<b>2,891,291</b>	<b>1,466,585</b>	<b>15,781</b>	<b>1,419,706</b>	<b>183,755</b>	<b>9,621,175</b>
<b>Expenses</b>								
Salaries and benefits	755,546	446,568	756,879	151,098	-	567,845	138,610	2,816,546
Interest charges	-	66,024	49,788	21,959	-	-	-	137,771
Materials	464,239	227,734	1,026,836	472,726	10,908	412,538	42,710	2,657,691
Contracted services	80,370	990,682	168,599	376,611	-	6,647	25,258	1,648,167
Rents and financial	3,938	-	-	12,218	-	-	-	16,156
External transfers	-	81,711	30,738	-	7,220	26,000	15,845	161,514
Amortization	12,016	96,662	598,389	268,854	-	149,150	-	1,125,071
Loss (gain) on disposal of tangible capital assets	-	-	13,504	-	-	-	-	13,504
Internal transfers	(9,600)	-	-	9,600	-	-	-	-
<b>Total expenses</b>	<b>1,306,509</b>	<b>1,909,381</b>	<b>2,644,733</b>	<b>1,313,066</b>	<b>18,128</b>	<b>1,162,180</b>	<b>222,423</b>	<b>8,576,420</b>
<b>Net surplus/(deficit)</b>	<b>381,278</b>	<b>46,889</b>	<b>246,558</b>	<b>153,519</b>	<b>(2,347)</b>	<b>257,526</b>	<b>(38,668)</b>	<b>1,044,755</b>

# CORPORATION OF THE TOWNSHIP OF CRAMAHE



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

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	201,993	2,010,997	2,207,660	94,656	20,828	1,059,511	258,725	5,854,370
User charges	50,836	170,091	18,599	1,303,223	1,476	155,126	38,970	1,738,321
Government transfers - operating	1,234,714	26,403	244,105	22,933	-	164,591	-	1,692,746
Government transfers - capital	-	-	92,244	-	-	-	-	92,244
Penalties and interest on taxes	133,694	-	-	-	-	-	-	133,694
Investment income	125,587	-	-	-	-	-	-	125,587
Donations	-	-	-	-	-	29,388	-	29,388
Developer contributions earned	30,000	-	250,000	-	-	46,750	-	326,750
Federal gas tax earned	-	-	192,787	-	-	-	-	192,787
<b>Total revenues</b>	<b>1,776,824</b>	<b>2,207,491</b>	<b>3,005,395</b>	<b>1,420,812</b>	<b>22,304</b>	<b>1,455,366</b>	<b>297,695</b>	<b>10,185,887</b>
<b>Expenses</b>								
Salaries and benefits	893,536	459,126	712,536	130,636	-	567,170	54,420	2,817,424
Interest charges	-	67,412	-	25,859	-	-	1,808	95,079
Materials	370,423	286,270	1,101,285	517,202	10,728	466,288	45,145	2,797,341
Contracted services	72,862	964,293	226,274	325,297	-	22,642	143,419	1,754,787
Rents and financial	4,808	-	-	10,309	-	-	-	15,117
External transfers	-	82,098	10,307	-	7,184	22,000	33,728	155,317
Amortization	31,301	95,083	597,615	265,984	-	148,030	-	1,138,013
Loss (gain) on disposal of tangible capital assets	521	4,338	25,022	14,008	-	-	-	43,889
Internal transfers	(9,600)	-	-	9,600	-	-	-	-
<b>Total expenses</b>	<b>1,363,851</b>	<b>1,958,620</b>	<b>2,673,039</b>	<b>1,298,895</b>	<b>17,912</b>	<b>1,226,130</b>	<b>278,520</b>	<b>8,816,967</b>
<b>Net surplus</b>	<b>412,973</b>	<b>248,871</b>	<b>332,356</b>	<b>121,917</b>	<b>4,392</b>	<b>229,236</b>	<b>19,175</b>	<b>1,368,920</b>

**INDEPENDENT AUDITOR'S REPORT****To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the Township of Cramahe***Opinion*

We have audited the financial statements of the Trust Funds of the Corporation of the Township of Cramahe (the Trust Funds), 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 Funds as at December 31, 2020, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Basis for Opinion*

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

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

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

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

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



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

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

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

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

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

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
April 23, 2021



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

	Cemetery Care and Maintenance \$	Forestry Program \$	2020 Total \$	2019 Total \$
<b>FINANCIAL ASSETS</b>				
Investments (note 2)	47,228	10,948	58,176	58,036
Accounts receivable	1,950	-	1,950	480
	<b>49,178</b>	<b>10,948</b>	<b>60,126</b>	<b>58,516</b>
<b>FUND BALANCES</b>	<b>49,178</b>	<b>10,948</b>	<b>60,126</b>	<b>58,516</b>

*The accompanying notes are an integral part of these financial statements*

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

	Cemetery Care and Maintenance \$	Forestry Program \$	2020 Total \$	2019 Total \$
<b>BALANCES - beginning of year</b>	47,708	10,808	58,516	58,452
<b>RECEIPTS</b>				
Investment income	1,077	140	1,217	1,106
Care and maintenance receipts	1,470	-	1,470	-
	2,547	140	2,687	1,106
<b>EXPENSES</b>				
Administration fee	311	-	311	311
Transfer to operations	766	-	766	731
	1,077	-	1,077	1,042
<b>BALANCES - end of year</b>	49,178	10,948	60,126	58,516

*The accompanying notes are an integral part of these financial statements*

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

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**1. SIGNIFICANT ACCOUNTING POLICIES**

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

(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. INVESTMENTS**

Included in investments are the following investments recorded at cost:

	2020	2019
	\$	\$
Scotiastrust Bond Common Trust Fund	14,118	14,118
Scotiastrust Corporate Bond Common Trust Fund	33,110	33,110
1-year GIC maturing January 15, 2020, interest at 0.6%	-	10,808
1-year GIC maturing January 15, 2021, interest at 1.3%	10,948	-
	<u>58,176</u>	<u>58,036</u>
Market Value	<u>59,458</u>	<u>57,852</u>

**3. CARE AND MAINTENANCE FUND**

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

**4. COMPARATIVE FIGURES**

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

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**CORPORATION OF THE TOWNSHIP OF CRAMAHE  
CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD  
FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

We have audited the financial statements of the Cramahe Township Public Library Board of the Corporation of the Township of Cramahe (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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 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 Qualified Opinion*

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

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

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

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

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

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

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

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

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

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

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

***Baker Tilly KDN LLP***

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
April 23, 2021

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

	2020	2019
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	130,955	112,845
Accounts receivable	2,850	-
<b>TOTAL FINANCIAL ASSETS</b>	<b>133,805</b>	<b>112,845</b>
<b>LIABILITIES</b>		
Due to Township (note 6)	80,451	74,204
Deferred revenue	1,050	50
<b>TOTAL LIABILITIES</b>	<b>81,501</b>	<b>74,254</b>
<b>NET FINANCIAL ASSETS</b>	<b>52,304</b>	<b>38,591</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 2)	140,289	142,574
<b>ACCUMULATED SURPLUS (note 3)</b>	<b>192,593</b>	<b>181,165</b>

*The accompanying notes are an integral part of these financial statements*



**CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD**  
**STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**For the Year Ended December 31, 2020**

	Budget 2020 \$ (unaudited)	Actual 2020 \$	Actual 2019 \$
<b>REVENUES</b>			
Township contributions (note 6)	262,183	269,963	258,491
Provincial grants	12,669	12,669	12,669
Donations, fees and fundraising	2,850	2,192	35,656
Other	3,900	5,113	1,968
<b>TOTAL REVENUES</b>	<b>281,602</b>	<b>289,937</b>	<b>308,784</b>
<b>EXPENSES</b>			
Salaries and benefits	184,696	176,740	170,786
Supplies	6,650	7,002	6,608
Maintenance and utilities (note 6)	29,373	34,918	41,473
Professional fees	10,940	9,761	8,552
Office and administration	11,528	10,467	14,080
Equipment and furnishings	150	3,852	29,401
Amortization	31,460	35,769	31,460
<b>TOTAL EXPENSES</b>	<b>274,797</b>	<b>278,509</b>	<b>302,360</b>
<b>ANNUAL SURPLUS</b>	<b><u>6,805</u></b>	11,428	6,424
<b>ACCUMULATED SURPLUS - beginning of year</b>		181,165	174,741
<b>ACCUMULATED SURPLUS - end of year</b>		192,593	181,165

*The accompanying notes are an integral part of these financial statements*

CRAMAHE 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 \$
<b>ANNUAL SURPLUS</b>	6,805	11,428	6,424
Amortization of tangible capital assets	31,460	35,769	31,460
Acquisition of tangible capital assets	(39,425)	(33,484)	(32,962)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(1,160)	13,713	4,922
<b>NET FINANCIAL ASSETS - beginning of year</b>	38,591	38,591	33,669
<b>NET FINANCIAL ASSETS - end of year</b>	37,431	52,304	38,591

*The accompanying notes are an integral part of these financial statements*

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

	2020	2019
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	11,428	6,424
Items not involving cash		
Amortization of tangible capital assets	35,769	31,460
Change in non-cash assets and liabilities		
Accounts receivable	(2,850)	1,840
Due to Township	6,247	44,340
Deferred revenue	1,000	-
<b>Net change in cash from operating activities</b>	<b>51,594</b>	<b>84,064</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(33,484)	(32,962)
<b>NET CHANGE IN CASH</b>	<b>18,110</b>	<b>51,102</b>
<b>CASH - beginning of year</b>	<b>112,845</b>	<b>61,743</b>
<b>CASH - end of year</b>	<b>130,955</b>	<b>112,845</b>

*The accompanying notes are an integral part of these financial statements*

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

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**1. SIGNIFICANT ACCOUNTING POLICIES**

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

(a) Recognition of Revenue and Expenses

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

Fees are recognized as revenue in the year the goods and services are provided.

Donations and fundraising revenue is 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. 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:

Books and periodicals	7 years
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Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(d) Deferred Revenue

Deferred revenue represents a grant which has been received, but for which the related services have yet to be performed. This amount will be recognized as revenue in the fiscal year the service is performed.

(e) Non-Financial Assets

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

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

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**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

(f) Reserves and Reserve Funds

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

(g) Inter-Entity Transactions

The Cramahé Township Public Library Board is a Board of the Township of Cramahé 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:

	2020 Books and Periodicals \$	2019 Books and Periodicals \$
<b>COST</b>		
Balance, beginning of year	252,165	251,856
Add: additions during the year	33,484	32,962
Less: disposals during the year	33,217	32,653
Balance, end of year	252,432	252,165
<b>ACCUMULATED AMORTIZATION</b>		
Balance, beginning of year	109,591	110,784
Add: additions during the year	35,769	31,460
Less: disposals during the year	33,217	32,653
Balance, end of year	112,143	109,591
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>140,289</b>	<b>142,574</b>

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

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**3. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	140,289	142,574
<b>Surplus</b>	140,289	142,574
<b>Reserves</b>		
Operations	32,073	18,360
Capital	14,048	14,048
<b>Total Reserves</b>	46,121	32,408
<b>Reserve Fund</b>		
Literacy enhancements	6,183	6,183
	192,593	181,165

**4. BUDGET FIGURES**

The 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 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. 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.



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

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**6. INTER-ENTITY TRANSACTIONS**

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

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:		
Maintenance	7,780	10,911

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

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