

Township of Brudenell, Lyndoch and Raglan

Financial Statements

For the year ended 31 December 2020



TOWNSHIP OF
BRUDENELL, LYNDOCH AND RAGLAN

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the Township of Brudenell, Lyndoch and Raglan (the "Township") are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of the significant accounting policies is contained in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Township's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MacKillican & Associates, independent external auditors appointed by the Township. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.

Valerie Jahn - Acting Clerk-Treasurer

Township of Brudenell, Lyndoch and Raglan

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**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Brudenell, Lyndoch and Raglan.

Opinion

We have audited the consolidated financial statements of the Township of Brudenell, Lyndoch and Raglan (the Township), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of operations and accumulated surplus, consolidated statement of changes in net financial assets and consolidated statement of 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 financial position of the Township as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAB).

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 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 Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAB, 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 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at *MacKillican's* website at: http://mackillicans.com/PDF/Auditors_Responsibilities.pdf. This description forms part of our auditor's report.

MacKillican & Associates

RENFREW, Ontario.

3 March 2021.

Chartered Professional Accountants,

Licensed Public Accountants.

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Township of Brudenell, Lyndoch and Raglan

Consolidated Statement of Financial Position

As at 31 December 2020

(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash in bank	\$ 1,712,787	\$ 2,166,089
Taxes receivable	426,668	415,074
Accounts receivable	<u>810,695</u>	<u>28,076</u>
	<u>\$ 2,950,150</u>	<u>\$ 2,609,239</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 192,678	\$ 222,002
Deferred revenue - obligatory reserve funds (Note 5)	603,670	549,246
Net long term liabilities (Note 3)	319,503	405,554
Landfill closure and post closure costs (Note 6)	<u>164,456</u>	<u>164,456</u>
	<u>\$ 1,280,307</u>	<u>\$ 1,341,258</u>
Net financial assets	<u>\$ 1,669,843</u>	<u>\$ 1,267,981</u>
Non-financial assets:		
Tangible capital assets (net)	\$ 22,195,304	\$ 22,284,170
Inventories of supplies	37,624	58,787
Prepaid expenses	<u>8,820</u>	<u>7,526</u>
	<u>\$ 22,241,748</u>	<u>\$ 22,350,483</u>
Accumulated surplus	<u>\$ 23,911,591</u>	<u>\$ 23,618,464</u>
Accumulated surplus comprised of:		
Equity in tangible capital assets	\$ 21,875,801	\$ 21,838,370
General	24,309	20,833
Bicentennial Park Committee	9,252	10,591
Recreation Committee	18,380	6,593
Reserves and reserve funds	2,148,305	1,906,533
Unfunded - landfill closure and post closure costs (Note 2)	<u>(164,456)</u>	<u>(164,456)</u>
Total accumulated surplus	<u>\$ 23,911,591</u>	<u>\$ 23,618,464</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan
Consolidated Statement of Operations and Accumulated Surplus
For the year ended 31 December 2020
(with 2020 budget and 2019 actual figures for comparison)

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Revenue:			
Taxation and user charges	\$ 1,394,279	\$ 1,400,502	\$ 1,359,074
Government transfers:			
Ontario	1,806,784	1,835,525	1,175,875
Canada	137,340	97,553	65,166
Other municipalities	1,320	8,508	
Other	<u>155,944</u>	<u>178,296</u>	<u>221,475</u>
	<u>\$ 3,495,667</u>	<u>\$ 3,520,384</u>	<u>\$ 2,821,590</u>
Expenses:			
General government	\$ 425,014	\$ 392,694	\$ 309,525
Protection to persons and property	567,796	566,663	561,779
Transportation services	1,982,544	1,830,447	1,867,680
Environmental services	229,906	249,080	211,437
Health services	14,000	14,000	14,000
Recreation and cultural services	195,239	170,926	138,941
Planning and development	<u>2,000</u>	<u>3,447</u>	<u>1,300</u>
	<u>\$ 3,416,499</u>	<u>\$ 3,227,257</u>	<u>\$ 3,104,662</u>
Excess (shortfall) of revenue over expenses	\$ 79,168	\$ 293,127	\$ (283,072)
Accumulated surplus at the beginning of the year	<u>23,618,464</u>	<u>23,618,464</u>	<u>23,901,536</u>
Accumulated surplus at the end of the year	<u>\$ 23,697,632</u>	<u>\$ 23,911,591</u>	<u>\$ 23,618,464</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan
Consolidated Statement of Changes in Net Financial Assets
For the year ended 31 December 2020
(with 2020 budget and 2019 actual figures for comparison)

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Excess (shortfall) of revenue over expenses	\$ 79,168	\$ 293,127	\$ (283,072)
Amortization of tangible capital assets	1,172,871	1,172,871	1,181,981
Acquisition of tangible capital assets	(1,385,696)	(1,084,005)	(231,734)
Loss on sale of tangible capital assets			1,704
Proceeds on sale of tangible capital assets			4,296
Use of (acquisition of) inventory		21,163	(28,258)
Consumption (acquisition) of prepaid expenses		(1,294)	(1,279)
Increase (decrease) in net financial assets	\$ (133,657)	\$ 401,862	\$ 643,638
Net financial assets at the beginning of the year	<u>1,267,981</u>	<u>1,267,981</u>	<u>624,343</u>
Net financial assets at the end of the year	<u>\$ 1,134,324</u>	<u>\$ 1,669,843</u>	<u>\$ 1,267,981</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Excess (shortfall) of revenue over expenses	\$ 293,127	\$ (283,072)
Add amortization which does not involve cash	1,172,871	1,181,981
Loss on sale of tangible capital assets		<u>1,704</u>
	<u>\$ 1,465,998</u>	<u>\$ 900,613</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	\$ (11,594)	\$ 72,384
- decrease (increase) in accounts receivable	(782,619)	38,878
- increase (decrease) in accounts payable and accrued liabilities	(29,324)	98,256
- increase (decrease) in deferred revenue	54,424	297,317
- decrease (increase) in inventories of supplies	21,163	(28,258)
- decrease (increase) in prepaid expenses	<u>(1,294)</u>	<u>(1,279)</u>
	<u>\$ (749,244)</u>	<u>\$ 477,298</u>
Cash flows from operating activities	<u>\$ 716,754</u>	<u>\$ 1,377,911</u>
Cash flows from financing activities:		
Proceeds from Ontario Infrastructure debenture		\$ 90,100
Repayment of long term liabilities	<u>\$ (86,051)</u>	<u>(67,408)</u>
Cash flows from (used for) financing activities	<u>\$ (86,051)</u>	<u>\$ 22,692</u>
Cash flows used for capital activities:		
Additions to tangible capital assets:		
General government	\$ (36,303)	
Transportation services	(1,047,702)	\$ (231,734)
Proceeds on sale of tangible capital assets		<u>4,296</u>
Cash flows used for capital activities	<u>\$ (1,084,005)</u>	<u>\$ (227,438)</u>
Increase (decrease) in cash and cash equivalents during the year	<u>\$ (453,302)</u>	<u>\$ 1,173,165</u>
Cash and cash equivalents at the beginning of the year	<u>2,166,089</u>	<u>992,924</u>
Cash and cash equivalents at the end of the year	<u>\$ 1,712,787</u>	<u>\$ 2,166,089</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan
Notes to the Consolidated Financial Statements
For the year ended 31 December 2020

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Brudenell, Lyndoch and Raglan are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Township and changes thereto. The Consolidated Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Township and is the difference between financial assets and liabilities. This information explains the Township's overall future revenue requirements and its ability to finance activities and meet its obligations.

(a) Reporting Entity

- (i) The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds, and changes in investment in tangible capital assets of the Township. 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 or controlled by the Township. Interdepartmental and organizational transactions and balances between these organizations are eliminated.

These consolidated financial statements include:

- Township of Brudenell, Lyndoch and Raglan Recreation Committee
- Township of Brudenell, Lyndoch and Raglan Bicentennial Park Committee

(ii) Accounting for County and School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the county and school boards are not reflected in the municipal fund balances of these financial statements.

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed.

(c) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

Township of Brudenell, Lyndoch and Raglan

Notes to the Consolidated Financial Statements

For the year ended 31 December 2020

(d) **Tangible Capital Assets**

- (i) Tangible capital assets (TCAs) are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Where the cost was not readily determinable, the assets were valued at their current fair market value and then discounted back to their in-service date using the Non-Residential Building Construction Price Index (NRBCPI) for infrastructure and using the Consumer Price Index (CPI) for all other assets. Land for road segments is valued at \$ 1.00 per segment. All other land is valued at cost. Where cost was not readily determinable, the land was given a value of \$ 1.00 per segment. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	15 - 25 years
Buildings	15 - 40 years
Machinery and equipment	5 - 15 years
Vehicles	7 - 20 years
Linear assets	15 - 50 years

Amortization is calculated commencing the first month of the year following acquisition using the above rates. In the year of disposal, a full year of amortization will be charged against the asset. Capital work in progress is not amortized until it is put into service.

The Township has a capitalization threshold of \$ 5,000, so that individual TCAs of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

(ii) **Contribution of Tangible Capital Assets**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expenditure equal to the net book value of the assets as of the date of transfer.

(iii) **Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenditure as incurred.

(e) **Inventories**

Inventories held for consumption are recorded at the lower of cost or replacement cost.

(f) **Investment Income**

Investment income earned on current funds (other than obligatory reserve funds) is reported as revenue in the period earned. Investment income earned on externally restricted funds is added to the fund balance and forms part of the respective deferred revenue balance.

(g) **Government Transfers**

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Township of Brudenell, Lyndoch and Raglan
Notes to the Consolidated Financial Statements
For the year ended 31 December 2020

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

- (h) **Deferred Revenue**
 Certain amounts are received pursuant to regulations or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.
- (i) **Deferred Revenue - Obligatory Reserve Funds**
 The Township receives restricted contributions under the authority of provincial and federal legislation and Township by-laws. These funds by their nature are restricted in their use and, until applied to applicable costs, are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.
- (j) **Use of Estimates**
 The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. Significant estimates include the allowance for doubtful taxes, landfill closure and post closure costs and amortization.
- (k) **Cash and Cash Equivalents**
 Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.
- (l) **Revenue Recognition**
 Taxation revenue consists of non-exchange transactions. It is recognized in the period to which the assessment relates and reasonable estimates of amounts can be made. Annual revenue also includes adjustments related to reassessments or appeals related to prior years. Fees and user charges relate to licensing fees, fees for use of various programming, and fees imposed based on specific activities, revenue is recognized when the activity is performed or when the services are rendered.
- (m) **Financial Instruments**
 Financial instruments include cash in bank, accounts receivable, accounts payable and accrued liabilities and net long term liabilities. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash in bank, accounts receivable, and accounts payable and accrued liabilities, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

The fair value of net long term liabilities is based on rates currently available to the Municipality with similar terms and maturities and approximates its carrying amounts as disclosed on the statement of financial position.

2. AMOUNTS TO BE RECOVERED

Amounts to be recovered represent the requirement of the Township to raise funds in subsequent periods to finance unfunded liabilities, comprised of the landfill closure and post closure liabilities.

Township of Brudenell, Lyndoch and Raglan
Notes to the Consolidated Financial Statements
For the year ended 31 December 2020

3. NET LONG TERM LIABILITIES

(a) The balance of net long term liabilities of \$ 319,503 (2019 - \$ 405,554) reported on the "Consolidated Statement of Financial Position" is made up of long term liabilities incurred by the Municipality.

(b) Principal and interest payments required on the long term liabilities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 86,693	\$ 8,611	\$ 95,304
2022	31,770	6,854	38,624
2023	31,770	6,046	37,816
2024	31,770	5,222	36,992
2025	13,750	4,464	18,214
2026 to 2030	68,750	15,461	84,211
2031 onwards	<u>55,000</u>	<u>4,123</u>	<u>59,123</u>
	<u>\$ 319,503</u>	<u>\$ 50,781</u>	<u>\$ 370,284</u>

4. OPERATIONS OF SCHOOL BOARDS AND COUNTY OF RENFREW

Requisitions were made by the School Boards and County of Renfrew 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:

	<u>School Boards</u>	<u>County</u>
Property taxes	\$ 389,702	\$ 856,235
Payments in lieu	<u>950</u>	<u>41,884</u>
	<u>\$ 390,652</u>	<u>\$ 898,119</u>

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the public sector accounting standards of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place because federal, provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds of the Township are summarized below:

(a) The balance of deferred revenue - obligatory reserve funds on the "Consolidated Statement of Financial Position" at the end of the year is comprised of the following externally restricted reserve funds:

	<u>2020</u>	<u>2019</u>
OCIF Component Based	\$ 546,347	\$ 429,771
Main Street Revitalization		32,555
Gasoline Tax - Federal	<u>57,323</u>	<u>86,920</u>
	<u>\$ 603,670</u>	<u>\$ 549,246</u>

Township of Brudenell, Lyndoch and Raglan
Notes to the Consolidated Financial Statements
For the year ended 31 December 2020

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS (Continued)

(b) Transactions during the year in the deferred revenue - obligatory reserve funds are as follows:

Balance at the beginning of the year	\$ 549,246	\$ 251,929
Gas tax revenue	45,595	99,388
OCIF Component Based	259,428	259,570
Interest earned	<u>2,933</u>	<u>3,954</u>
	\$ 857,202	\$ 614,841
Used to purchase tangible capital assets	(220,820)	(58,818)
Used for operations	<u>(32,712)</u>	<u>(6,777)</u>
Balance at the end of the year	<u>\$ 603,670</u>	<u>\$ 549,246</u>

6. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. Some closure costs are incurred on an ongoing basis and are included in the yearly fiscal operating budget. All remaining expected closure and post closure costs have been discounted at the Township's average long term borrowing rate, net of estimated inflation. There are currently no reserves set aside for either closure or post closure activities.

The reported liability is based on estimates and assumptions with respect to events extending over the useful life and estimated post closure care period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

Landfill sites' estimated remaining capacity in cubic metres	11,400
Landfill sites' remaining useful life in years	6
Expected years of post closure care	10

The estimated total undiscounted expenses over the 10 year post closure period amount to approximately \$ 141,500.

7. CONTINGENT LIABILITIES

In the normal course of operations the Township becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at 31 December 2020 cannot be predicted with certainty, it is in the opinion of the Township that their resolution will not have a material adverse effect on the Township's financial position or results of operations.

Township of Brudenell, Lyndoch and Raglan
Notes to the Consolidated Financial Statements
For the year ended 31 December 2020

8. BUDGET FIGURES

The operating budget approved by the Township of Brudenell, Lyndoch and Raglan for 2020 is reflected on the Consolidated Statement of Operations. The budget established for capital investment in tangible capital assets is 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. As well, the Township does not budget activity within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been reclassified for the purpose of these financial statements to comply with PSAB reporting requirements. The budget has not been audited.

9. TANGIBLE CAPITAL ASSETS

The Schedule of Tangible Capital Assets provides information on the tangible capital assets of the Township by major asset class and by function, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(i) Contributed Tangible Capital Assets

The Township records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are roadways, water and sewer lines installed by a developer as part of a subdivision agreement. There were no such transfers in 2020.

(ii) Tangible Capital Assets Recognized at Nominal Value

Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant such assets are the Township's road allowances. The 2020 road network had segments, each of which has been assigned a value of one dollar for the road allowance itself.

10. MUNICIPALITIES BENEFIT COMMITTEE

The Township of Brudenell, Lyndoch and Raglan is a member of the Municipalities Benefit Committee (MBC) which is an employee group benefits plan arranged through Manulife to share in the financial risk of extended health and dental benefits. In the event that a deficit position is incurred, the Township of Brudenell, Lyndoch and Raglan must repay their pro-rata share of the deficit through a lump sum deposit or an increase in future annual premiums collected through the monthly billed rates. In the case of a surplus position, upon full funding of the claims fluctuation reserve (CFR), the surplus is transferred into a deposit account held by Manulife on the MBC's behalf. The surplus funds in the deposit account are to be used to fund premium requirements, enhancements to the benefit plan or fund future deficits. If the Township of Brudenell, Lyndoch and Raglan leaves the MBC, the Township forfeits its right to any surplus.

Township of Brudenell, Lyndoch and Raglan
Notes to the Consolidated Financial Statements
For the year ended 31 December 2020

11. CONTRACTUAL OBLIGATIONS

The Township has not negotiated a contract with the Ontario Provincial Police for the provision of policing services, however the Ontario Provincial Police provide policing services on an annual basis. Annual charges are determined based on the level of service and are reconciled to actual costs in the following year. The contract for 2020 was \$ 316,298 (2019 - \$ 323,257).

12. SEGMENTED INFORMATION

(a) The Township is responsible for providing a wide range of services to its citizens. The Township reports on functional areas and programs in its consolidated financial statements. A brief description of each segment follows:

- i) General government is comprised of Council and administration and is responsible for the overall governance and management of the Municipality.
- ii) Protection is comprised of police, fire, and other protective services.
- iii) Transportation is comprised of roads including parking, signs and signals, streetlights and the maintenance of roads of the Township.
- iv) Environmental services include water supply and distribution, wastewater treatment, and solid waste and recycling services.
- v) Recreation and cultural services include parks and recreation and libraries.
- vi) Planning and development services are comprised of managing development for residential and business interests, as well as infrastructure and parks.

(b) For each functional area, expenditures represent both amounts that are directly attributable to the functional area and amounts that are allocated on a reasonable basis. The expenditures for 31 December 2020 are as follows:

	<u>Salaries and benefits</u>	<u>Interest on long term debt</u>	<u>Materials and contracted services</u>	<u>Rent and external transfers</u>	<u>Amortization</u>	<u>Total</u>
General government	\$ 169,812	\$ 6,772	\$ 194,095	\$ 5,425	\$ 16,590	\$ 392,694
Protection services	81,382		449,844		35,437	566,663
Transportation services	356,526	3,874	394,509		1,075,538	1,830,447
Environmental services	55,777		171,955		21,348	249,080
Health services				14,000		14,000
Recreation	41,225		105,743		23,958	170,926
Planning and development			3,447			3,447
	<u>\$ 704,722</u>	<u>\$ 10,646</u>	<u>\$ 1,319,593</u>	<u>\$ 19,425</u>	<u>\$ 1,172,871</u>	<u>\$ 3,227,257</u>

Township of Brudenell, Lyndoch and Raglan
Notes to the Consolidated Financial Statements
For the year ended 31 December 2020

12. SEGMENTED INFORMATION (Continued)

(c) The expenditures for 31 December 2019 are as follows:

	Salaries and benefits	Interest on long term debt	Materials and contracted services	Rent and external transfers	Amortization	Total
General government	\$ 169,584	\$ 7,211	\$ 110,736	\$ 5,404	\$ 16,590	\$ 309,525
Protection services	85,724		439,868		36,187	561,779
Transportation services	368,871	3,211	411,700		1,083,898	1,867,680
Environmental services	49,022		141,067		21,348	211,437
Health services				14,000		14,000
Recreation	35,955		79,028		23,958	138,941
Planning and development			1,300			1,300
	<u>\$ 709,156</u>	<u>\$ 10,422</u>	<u>\$ 1,183,699</u>	<u>\$ 19,404</u>	<u>\$ 1,181,981</u>	<u>\$ 3,104,662</u>

13. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2020</u>	<u>2019</u>
Tangible capital assets - net	\$ 22,195,304	\$ 22,284,170
Net long term liabilities (Note 3)	(319,503)	(405,554)
Unexpended capital financing (unfunded capital outlay)		(40,246)
	<u>\$ 21,875,801</u>	<u>\$ 21,838,370</u>

14. COVID-19

To help contain the spread of the COVID-19 virus and to protect the public, measures have been introduced at various levels of government. The virus and the measures introduced could have a material impact on future operations. The extent of the impact of the COVID-19 virus and the government's response cannot be reliably estimated at this time.

Township of Brudenell, Lyndoch and Raglan

Schedule of General Operations

For the year ended 31 December 2020

(with 2020 budget and 2019 actual figures for comparison)

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Revenue:			
Net municipal taxation	\$ 1,394,279	\$ 1,400,502	\$ 1,359,074
Government transfers:			
Ontario	1,806,784	1,835,525	1,175,875
Canada	137,340	97,553	61,596
Other municipalities	1,320	8,508	
Other	<u>115,648</u>	<u>139,019</u>	<u>165,379</u>
	<u>\$ 3,455,371</u>	<u>\$ 3,481,107</u>	<u>\$ 2,761,924</u>
Expenses:			
General government	\$ 425,014	\$ 392,694	\$ 309,525
Protection to persons and property	567,796	566,663	561,779
Transportation services	1,982,544	1,830,447	1,867,680
Environmental services	229,906	249,080	211,437
Health services	14,000	14,000	14,000
Recreation and cultural services	94,935	112,097	62,874
Planning and development	<u>2,000</u>	<u>3,447</u>	<u>1,300</u>
	<u>\$ 3,316,195</u>	<u>\$ 3,168,428</u>	<u>\$ 3,028,595</u>
Excess (shortfall) of revenue over expenses	<u>\$ 139,176</u>	<u>\$ 312,679</u>	<u>\$ (266,671)</u>
Transfers:			
Transfer to recreation	\$ (42,824)	\$ (30,000)	\$ (25,000)
Transfer from (to) reserves	181,691	(241,772)	(587,700)
Transfer from (to) equity in tangible capital assets	<u>(298,876)</u>	<u>(37,431)</u>	<u>879,585</u>
Net transfers	<u>\$ (160,009)</u>	<u>\$ (309,203)</u>	<u>\$ 266,885</u>
Change in general surplus (deficit) for the year	\$ (20,833)	\$ 3,476	\$ 214
General surplus at the beginning of the year	<u>20,833</u>	<u>20,833</u>	<u>20,619</u>
General surplus at the end of the year	<u>\$ -</u>	<u>\$ 24,309</u>	<u>\$ 20,833</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Schedule of Reserves and Reserve Funds

For the year ended 31 December 2020

(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
Contributions:		
From operations	\$ <u>357,592</u>	\$ <u>643,166</u>
Transfers:		
Transfer to operations	\$ 33,246	
Transfer to tangible capital asset acquisitions	<u>82,574</u>	\$ <u>50,000</u>
	\$ <u>115,820</u>	\$ <u>50,000</u>
Change in reserves and reserve funds balance	\$ 241,772	\$ 593,166
Reserves and reserve funds at the beginning of the year	<u>1,906,533</u>	<u>1,313,367</u>
Reserves and reserve funds at the end of the year	\$ <u>2,148,305</u>	\$ <u>1,906,533</u>
Reserves:		
Working funds	\$ 852,200	\$ 784,427
General government	26,800	26,800
Protection services	90,918	70,918
Roadways	830,516	680,516
Solid waste disposal	280,776	290,777
Recreation	<u>47,500</u>	<u>33,500</u>
Total reserves	\$ 2,128,710	\$ 1,886,938
Discretionary reserve fund set aside for specific purpose:		
Recreation facilities - other	<u>19,595</u>	<u>19,595</u>
Total reserves and reserve funds	\$ <u>2,148,305</u>	\$ <u>1,906,533</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Schedule of Tangible Capital Assets

For the year ended 31 December 2020
(with 2019 figures for comparison)

Segmented by asset class: <u>Cost</u>	Balance at 31 December <u>2019</u>	<u>Additions</u>	Disposals, write-offs and <u>adjustments</u>	Balance at 31 December <u>2020</u>
Land	\$ 253,948	\$ 46,270	\$ 687	\$ 300,905
Buildings	2,527,660			2,527,660
Machinery and equipment	808,108	36,303		844,411
Vehicles	1,872,272			1,872,272
Linear assets	44,847,201	1,001,432	44,221	45,892,854
Capital work in progress	<u>44,908</u>		<u>(44,908)</u>	
Total	<u>\$ 50,354,097</u>	<u>\$ 1,084,005</u>	<u>\$ -</u>	<u>\$ 51,438,102</u>

<u>Accumulated amortization</u>	Balance at 31 December <u>2019</u>	<u>Amortization</u>	Disposals, write-offs and <u>adjustments</u>	Balance at 31 December <u>2020</u>
Buildings	\$ 983,684	\$ 41,853	\$ -	\$ 1,025,537
Machinery and equipment	682,502	21,661		704,163
Vehicles	1,033,863	106,113		1,139,976
Linear assets	<u>25,369,878</u>	<u>1,003,244</u>		<u>26,373,122</u>
Total	<u>\$ 28,069,927</u>	<u>\$ 1,172,871</u>	<u>\$ -</u>	<u>\$ 29,242,798</u>

<u>Net book value</u>	Balance at 31 December <u>2019</u>	Balance at 31 December <u>2020</u>
Land	\$ 253,948	\$ 300,905
Buildings	1,543,976	1,502,123
Machinery and equipment	125,606	140,248
Vehicles	838,409	732,296
Linear assets	19,477,323	19,519,732
Capital work in progress	<u>44,908</u>	
Total	<u>\$ 22,284,170</u>	<u>\$ 22,195,304</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Schedule of Tangible Capital Assets

For the year ended 31 December 2020
(with 2019 figures for comparison)

Segmented by function: <u>Cost</u>	Balance at 31 December 2019	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December 2020
General government (administration)	\$ 547,126	\$ 36,303	\$ -	\$ 583,429
Protection services (fire)	911,758			911,758
Transportation services (roads)	46,616,365	1,047,702		47,664,067
Environmental services (waste, recycling)	477,197			477,197
Recreation and cultural services (recreation)	<u>1,801,651</u>			<u>1,801,651</u>
Total	<u>\$ 50,354,097</u>	<u>\$ 1,084,005</u>	<u>\$ -</u>	<u>\$ 51,438,102</u>

<u>Accumulated amortization</u>	Balance at 31 December 2019	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December 2020
General government (administration)	\$ 160,745	\$ 16,590	\$ -	\$ 177,335
Protection services (fire)	298,056	35,437		333,493
Transportation services (roads)	26,730,769	1,075,538		27,806,307
Environmental services (waste, recycling)	290,082	21,348		311,430
Recreation and cultural services (recreation)	<u>590,275</u>	<u>23,958</u>		<u>614,233</u>
Total	<u>\$ 28,069,927</u>	<u>\$ 1,172,871</u>	<u>\$ -</u>	<u>\$ 29,242,798</u>

<u>Net book value</u>	Balance at 31 December 2019	Balance at 31 December 2020
General government (administration)	\$ 386,381	\$ 406,094
Protection services (fire)	613,702	578,265
Transportation services (roads)	19,885,596	19,857,760
Environmental services (waste, recycling)	187,115	165,767
Recreation and cultural services (recreation)	<u>1,211,376</u>	<u>1,187,418</u>
Total	<u>\$ 22,284,170</u>	<u>\$ 22,195,304</u>

(See accompanying notes)



**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Recreation Committee Members,
Members of Council, Inhabitants and
Ratepayers of the Corporation of the
Township of Brudenell, Lyndoch and Raglan.

Opinion

We have audited the financial statements of the Township of Brudenell, Lyndoch and Raglan Recreation Committee (the Committee), which comprise the statement of financial position as at 31 December 2020, and the statement of operations and accumulated surplus and statement of 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 Committee as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAB).

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 Committee 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 PSAB, 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 Committee'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 Committee or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Committee'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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at MacKilligan's website at: http://mackillicans.com/PDF/Auditors_Responsibilities.pdf. This description forms part of our auditor's report.

MacKilligan + Associates

Chartered Professional Accountants,

Licensed Public Accountants.

RENFREW, Ontario.
3 March 2021.

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Township of Brudenell, Lyndoch and Raglan

Recreation Committee

Statement of Financial Position

As at 31 December 2020
(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Financial assets:		
Cash in bank	\$ 20,827	\$ 8,944
Due from Canada	<u>197</u>	<u>225</u>
	<u>\$ 21,024</u>	<u>\$ 9,169</u>
 <u>LIABILITIES AND ACCUMULATED SURPLUS</u>		
Liabilities:		
Accounts payable	\$ 1,000	\$ 1,000
Due to Township	<u>1,644</u>	<u>1,576</u>
	\$ 2,644	\$ 2,576
Accumulated surplus	<u>18,380</u>	<u>6,593</u>
	<u>\$ 21,024</u>	<u>\$ 9,169</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan
Recreation Committee
Statement of Operations and Accumulated Surplus
For the year ended 31 December 2020
(with 2020 budget and 2019 actual figures for comparison)

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Revenue:			
Canada grants - Canada Day			\$ 700
- Summer Student Grant			2,870
Municipal grant	\$ 38,824	\$ 30,000	25,000
Arena revenues	8,676	7,841	14,725
Minor sports	1,140	1,009	932
Miscellaneous revenue		415	1,055
Cafeteria	2,863	2,534	1,698
Fees - swim program			1,040
Fees - mini gym memberships		400	160
Fundraising activities	20,721	19,850	16,892
Donations			100
	<u>\$ 72,224</u>	<u>\$ 62,049</u>	<u>\$ 65,172</u>
Expenses:			
Audit and legal	\$ 1,119	\$ 1,119	\$ 1,119
Insurance	10,256	10,256	9,958
Programs and activities	3,918	3,000	3,000
Rink, swim program and ball diamond:			
- wages	4,000	4,084	10,946
- utilities	15,500	11,522	15,498
- maintenance and supplies	31,950	7,352	12,837
Advertising and fundraising	11,074	12,069	12,400
Cafeteria supplies	1,000	860	1,458
	<u>\$ 78,817</u>	<u>\$ 50,262</u>	<u>\$ 67,216</u>
Excess (shortfall) of revenue over expenses	\$ (6,593)	\$ 11,787	\$ (2,044)
Accumulated surplus at the beginning of the year	<u>6,593</u>	<u>6,593</u>	<u>8,637</u>
Accumulated surplus at the end of the year	<u>\$ -</u>	<u>\$ 18,380</u>	<u>\$ 6,593</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Recreation Committee

Statement of Cash Flows

For the year ended 31 December 2020
(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Excess (shortfall) of revenue over expenses	\$ <u>11,787</u>	\$ <u>(2,044)</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in due from Canada	\$ 28	\$ 1,595
- decrease (increase) in due from Township		435
- increase (decrease) in due to Township	<u>68</u>	<u>1,576</u>
	\$ <u>96</u>	\$ <u>3,606</u>
Cash flows from operating activities	\$ <u>11,883</u>	\$ <u>1,562</u>
Increase in cash and cash equivalents during the year	\$ 11,883	\$ 1,562
Cash and cash equivalents at the beginning of the year	<u>8,944</u>	<u>7,382</u>
Cash and cash equivalents at the end of the year	\$ <u>20,827</u>	\$ <u>8,944</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Recreation Committee

Notes to the Financial Statements

For the year ended 31 December 2020

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Brudenell, Lyndoch and Raglan Recreation Committee are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(b) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(d) Deferred Revenue

Certain amounts are received pursuant to regulations or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

(e) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

Township of Brudenell, Lyndoch and Raglan

Recreation Committee

Notes to the Financial Statements

For the year ended 31 December 2020

2. FINANCIAL INSTRUMENTS

Financial instruments include cash in bank, accounts payable and due to Township. Unless otherwise noted, it is management's opinion that the Committee is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash in bank, accounts payable and due to Township, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

3. CONTINGENT LIABILITIES

The nature of committee activities is such that there may be litigation pending or in prospect at any time. The Committee is not aware of any claims or possible claims as at 31 December 2020.

4. COVID-19

To help contain the spread of the COVID-19 virus and to protect the public, measures have been introduced at various levels of government. The virus and the measures introduced could have a material impact on future operations. The extent of the impact of the COVID-19 virus and the government's response cannot be reliably estimated at this time.



**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Bicentennial Park Committee Members,
Members of Council, Inhabitants and Ratepayers of the
Corporation of the Township of Brudenell, Lyndoch and Raglan.

Opinion

We have audited the financial statements of the Township of Brudenell, Lyndoch and Raglan Bicentennial Park Committee (the Committee), which comprise the statement of financial position as at 31 December 2020, and the statement of operations and accumulated surplus 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 Committee as at 31 December 2020, and its financial performance for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAB).

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 Committee 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 PSAB, 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 Committee'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 Committee or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Committee'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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at MacKilligan's website at: http://mackillicans.com/PDF/Auditors_Responsibilities.pdf. This description forms part of our auditor's report.

Mac Killigan + Associates

RENFREW, Ontario.

3 March 2021.

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Township of Brudenell, Lyndoch and Raglan

Bicentennial Park Committee

Statement of Financial Position

As at 31 December 2020
(with 2019 figures for comparison)

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current:		
Cash in bank	\$ 9,211	\$ 10,560
Due from Canada	<u>80</u>	<u>170</u>
	<u>\$ 9,291</u>	<u>\$ 10,730</u>
<u>LIABILITIES AND ACCUMULATED SURPLUS</u>		
Current liabilities:		
Due to Township	\$ 39	\$ 139
Accumulated surplus	<u>9,252</u>	<u>10,591</u>
	<u>\$ 9,291</u>	<u>\$ 10,730</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan
Bicentennial Park Committee
Statement of Operations and Accumulated Surplus
For the year ended 31 December 2020
(with 2020 budget and 2019 actual figures for comparison)

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Revenue:			
Municipal grant	\$ 4,000		
Fundraising and donations	<u>6,896</u>	\$ <u>7,228</u>	\$ <u>14,028</u>
	<u>\$ 10,896</u>	<u>\$ 7,228</u>	<u>\$ 14,028</u>
Expenses:			
Fundraising	\$ 5,500	\$ 2,175	\$ 5,422
Maintenance, supplies and utilities	7,494	6,392	3,429
Renovation project	<u>8,493</u>		
	<u>\$ 21,487</u>	<u>\$ 8,567</u>	<u>\$ 8,851</u>
Excess (shortfall) of revenue over expenses	\$ (10,591)	\$ (1,339)	\$ 5,177
Accumulated surplus at the beginning of the year	<u>10,591</u>	<u>10,591</u>	<u>5,414</u>
Accumulated surplus at the end of the year	<u>\$ -</u>	<u>\$ 9,252</u>	<u>\$ 10,591</u>

(See accompanying notes)

Township of Brudenell, Lyndoch and Raglan

Bicentennial Park Committee

Notes to the Financial Statements

For the year ended 31 December 2020

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Brudenell, Lyndoch and Raglan Bicentennial Park Committee are the representation of management prepared in accordance with Canadian Public Sector Accounting Standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(b) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(d) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

2. FINANCIAL INSTRUMENTS

Financial instruments include cash in bank and due to Township. Unless otherwise noted, it is management's opinion that the Committee is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash in bank and due to Township, approximate their fair values, due to the immediate and short term maturities of these financial instruments.

Township of Brudenell, Lyndoch and Raglan

Bicentennial Park Committee

Notes to the Financial Statements

For the year ended 31 December 2020

3. CONTINGENT LIABILITIES

The nature of Committee activities is such that there may be litigation pending or in prospect at any time. The Committee is not aware of any claims or possible claims as at 31 December 2020.

4. COVID-19

To help contain the spread of the COVID-19 virus and to protect the public, measures have been introduced at various levels of government. The virus and the measures introduced could have a material impact on future operations. The extent of the impact of the COVID-19 virus and the government's response cannot be reliably estimated at this time.