

**The Corporation of the Township of
Tarbutt
Financial Statements
For the year ended December 31, 2020**

Approved
Aug 18/21.

**The Corporation of the Township of Tarbutt
Financial Statements
For the year ended December 31, 2020**

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Independent Auditors' Report

To the Mayor and Council of The Corporation of the Township of Tarbutt:

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of The Corporation of the Township of Tarbutt (the Township), which comprise the balance sheet 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 a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Tarbutt as at December 31, 2020, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the 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 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 Statement

My 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 my 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 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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.

- Obtaining 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Township to cease 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.

I 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 I identify during our audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Stefanizzi Professional Corporation
Chartered Professional Accountant, authorized to practise
public accounting by Chartered Professional Accountants of Ontario
Sault Ste. Marie, Ontario
June 21, 2021

The Corporation of the Township of Tarbutt
Balance Sheet

As at December 31,	2020	2019
Financial Assets		
Cash and cash equivalents (note 3)	\$ 621,840	\$ 569,233
Taxes receivable	298,599	210,198
Accounts receivable	79,243	9,701
Government remittances recoverable	54,305	41,276
	\$ 1,053,987	\$ 830,408
Liabilities		
Accounts payable and accrued liabilities	\$ 46,712	\$ 22,902
Deferred revenue (note 4)	95,004	61,700
Landfill site closure liability (note 5)	28,762	10,962
Municipal long-term debt (note 6)	280,840	62,042
	451,318	157,606
Net financial assets	602,669	672,802
Non-financial assets		
Tangible capital assets (schedule 1)	2,713,916	2,687,288
Accumulated surplus (note 7)	\$ 3,316,586	\$ 3,360,090

Approved on behalf of council:

_____ Mayor

_____ Clerk - Treasurer

The Corporation of the Township of Tarbutt
Statement of Operations and Accumulated Surplus

Year ended December 31, (with comparative figures for the prior year)

	Budget (Unaudited) 2020	Actual 2020	Actual 2019
Revenues			
Taxation (note 8)	\$ 981,275	\$ 986,613	\$ 935,721
Federal grants	-	52,360	1,680
Provincial grants	306,414	306,503	553,302
Other municipalities	39,500	140,375	48,320
Fees and user charges	110,250	71,435	68,246
Interest and other	63,038	29,540	39,675
	1,500,477	1,586,826	1,646,944
Expenditures			
Current			
General government	335,923	401,399	334,258
Protection	171,002	182,872	193,313
Transportation services	475,904	509,196	504,383
Environmental services	125,763	141,672	116,142
Health services	31,929	28,733	33,226
Social and family services	328,729	328,729	320,019
Recreation and cultural services	32,662	30,745	36,918
Planning and development	8,450	6,984	6,961
	1,510,362	1,630,330	1,545,220
Annual surplus (deficit)	(9,885)	(43,504)	101,724
Accumulated surplus, beginning of year	3,360,090	3,360,090	3,258,366
Accumulated surplus, end of year	\$ 3,350,205	\$ 3,316,586	\$ 3,360,090

The Corporation of the Township of Tarbutt
Statement of Change in Net Financial Assets

Year ended December 31, (with comparative figures for the prior year)

	Budget (Unaudited) 2020	Actual 2020	Actual 2019
Annual surplus (deficit)	\$ (9,885)	\$ (43,504)	\$ 101,724
Acquisition of tangible capital assets	(78,250)	(394,292)	(78,941)
Amortization of tangible capital assets	-	367,663	342,554
	(88,135)	(70,133)	365,337
Net change in net financial assets	(88,135)	(70,133)	365,337
Net financial assets, beginning of year	672,802	672,802	307,465
	\$ 584,667	\$ 602,669	\$ 672,802

The Corporation of the Township of Tarbutt
Statement of Cash Flow

For the year ended December 31,	2020	2019
Cash provided by (used for):		
Operating		
Increase (decrease) in accumulated surplus	\$ (43,504)	\$ 101,724
Changes in non-cash operating items:		
(Increase) decrease in taxes receivable	(88,403)	(39,990)
(Increase) decrease in accounts receivable	(82,570)	17,302
Increase (decrease) in accounts payable	23,810	(12,959)
Increase (decrease) in landfill post-closure costs	17,800	10,963
Increase (decrease) in deferred revenue	33,305	58,095
	(139,562)	135,135
Annual depreciation	367,663	342,554
	228,101	477,689
Financing:		
Proceeds from issuance of long-term debt	254,250	-
Principal repayment on long-term debt	(35,452)	(35,452)
	218,798	(35,452)
Capital transactions:		
Capital additions	(394,292)	(78,941)
Increase in cash for the year	52,607	363,296
Cash and cash equivalents, beginning of year	569,233	205,937
Cash and cash equivalents, end of year	\$ 621,840	\$ 569,233
Represented by:		
Cash	\$ 168,441	\$ 133,790
Temporary investments	\$ 453,399	\$ 435,443

The Corporation of the Township of Tarbutt

Notes to the Financial Statements

December 31, 2020

1. Summary of significant account policies

The Corporation of the Township of Tarbutt ("the Municipality") is a municipality in the province of Ontario, Canada. The Municipality conducts its operations in accordance with the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

Non-consolidated entities

These statements reflect the assets, liabilities, operating revenues and expenditures, reserve funds and reserves and tangible capital assets of The Corporation of the Township of Tarbutt. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of the financial affairs and resources of the Municipality.

All material inter-entity transactions and balances are eliminated on consolidation.

The following local boards, joint local boards and municipal enterprises are not consolidated:

Algoma District Services Administration Board
Algoma Public Health

Revenue recognition

Revenues and expenditures are reported on the accrual basis of accounting. Expenditures are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due. Revenues are recognized as follows.

- a) Tax revenue is recognized in the calendar year to which the tax assessment applies and the assessment is known.
- b) Fines and donations are recognized when collected.

Deferred revenue

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of financial activities in the year in which it is used for the specified purpose.

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.

The Corporation of the Township of Tarbutt

Notes to the Financial Statements

December 31, 2020

Government transfers

Government transfers include entitlements, transfers under shared cost agreements and grants. Revenue is recognized for unconditional entitlements and grants in the period received or receivable. Revenue is recognized for any conditional entitlements and grants in the period the associated expenditure is incurred. Revenue is recognized for transfers under shared service agreements in the period the costs are incurred.

Contributed goods and services

Goods and services contributed to the Township are recorded at their fair market value at the time of their occurrence.

Cash and cash equivalents

Cash and cash equivalents include bank deposits and short term guaranteed investment certificates that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

Inventory

Inventory is valued at the lower of cost or net realizable value.

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates include allowance for doubtful accounts, inventory obsolescence, environmental liabilities, useful life of assets, and accruals. Actual results could differ from management's best estimates as additional information becomes available in the future.

Accounting for school board transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these consolidated financial statements. As a result of the province wide reform of the tax system overlevies (underlevies) are reported on the consolidated statement of financial position as current liabilities or current assets.

Trust funds

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and Balance Sheet.

Basis of accounting

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

The Corporation of the Township of Tarbutt

Notes to the Financial Statements

December 31, 2020

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 revenues over expenses, provides the Change in Net Financial Assets for the year.

Capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of an asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line bases over their estimated useful lives as follows:

	Useful Life - Years
Buildings	20 - 40
Equipment	12 - 15
Infrastructure	10 - 50
Vehicle and machinery	5 - 20
Waste management land	35

In the year of acquisition, capital assets are amortized at one-half the above rates.

(a) 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.

(b) Interest capitalization

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

(c) 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 expenses as incurred.

(d) Threshold

The Corporation of the Township of Tarbutt has a capitalization threshold of \$5,000 to \$25,000 for all categories of tangible capital assets. Individual assets below the threshold are expensed, unless they are pooled, because collectively, they have significant value. The Municipality's threshold for pooled assets is \$5,000.

Amounts to be recovered

Amounts to be recovered are reported in the municipal position on the consolidated balance sheet. The balance represents future expenditures not yet levied on the ratepayers.

The Corporation of the Township of Tarbutt

Notes to the Financial Statements

December 31, 2020

Budget figures

Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. The approved operating budget and capital budgets are reflected on the Consolidated Statement of Operations and are unaudited. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. As well, the Town does not budget activity within Reserves and Reserve Funds, with the exception being those transactions, which affect either operations or capital investments.

Comparative figures

Certain comparative figures have been reclassified to conform with the current year financial statement presentation.

2. Financial instruments

The Township's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, landfill site closure liability, and municipal long-term debt. Unless otherwise noted, it is management's opinion that the Township is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying value.

3. Cash and cash equivalents

	2020	2019
Unrestricted cash	\$ 60,426	\$ 59,273
Restricted cash - deferred revenue (note 4)	95,004	61,700
Restricted cash - landfill post-closure legislated fund	13,011	12,817
Restricted cash - Tarbutt reserve temporary investments	453,399	435,443
	<u>\$ 621,840</u>	<u>\$ 569,233</u>

Temporary investments have a market value which approximates its book value. Interest rates on temporary investments range from 0.25% to 0.35%.

The Corporation of the Township of Tarbutt
Notes to the Financial Statements**December 31, 2020**

4. Deferred revenue

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

	2020	2019
Gasoline tax	\$ 91,399	\$ 58,095
Cash in lieu of parkland	3,605	3,605
	\$ 95,004	\$ 61,700

5. Landfill site closure liability

Effective January 1, 2001 the Township adopted accounting recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants with respect to landfill site closing and post-closing costs. As a result, the consolidated balance sheet now reflects a liability for anticipated future costs related to the closing and monitoring of the existing landfill site. The waste site closure and post closure cost liability has been estimated at \$28,670. This liability represents the estimated total expenditures required for closure and post closure care. This estimated liability was generated from external consultants who have experience with landfill construction and closure work. Once closed, this landfill site will be monitored for an estimated period of 10 years. A discount rate has been used that is equal to the rate available to the government long term borrowing rate. As at December 31, 2020, the landfill close and post closure costs have been financed.

The Corporation of the Township of Tarbutt
Notes to the Financial Statements

December 31, 2020

6. Municipal long-term debt

	2020	2019
Snow plow truck loan with interest at 1.5%, repayable in equal semi-annual installments of \$26,164.92 including interest, secured by automotive and council borrowing bylaw. The loan matures on November 16, 2025	\$ 254,250	\$ -
Automotive loan with interest at prime plus 0.5%, repayable in monthly principal installments of \$2,285 plus interest. Secured by automotive and council borrowing bylaw.	20,562	47,978
Automotive loan with interest at prime plus 0.5%, repayable in monthly principal installments of \$669.71 plus interest. Secured by automotive and council borrowing bylaw.	6,028	14,064
	280,840	62,042
Current portion	78,412	35,452
	\$ 202,428	\$ 26,590

Long-term debt principal repayments to be made during the next five years is approximately as follows:

2021	-	\$ 78,412
2022	-	\$ 49,478
2023	-	\$ 50,223
2024	-	\$ 50,979
2025	-	\$ 51,747

The Corporation of the Township of Tarbutt
Notes to the Financial Statements

December 31, 2020

7. Accumulated surplus

The accumulated surplus is comprised of the following:

	2020	2019
Reserves set aside for specific purposes by Council:		
General working capital	\$ 184,758	\$ 282,578
Reserve funds set aside for specific purposes by Council:		
Disposal site legislated fund	13,011	12,817
Cannabis funding	10,000	-
Culverts	16,032	10,942
Roads	58,728	53,290
Landfill working	7,290	5,747
Planning	2,252	2,235
Cemetery working capital	7,656	7,599
Administration	2,021	2,021
Legal fees	11,357	11,273
Fire	8,066	6,016
Emergency	2,545	2,526
MNR Fire	5,090	5,053
Culvert maintenance	27,408	27,191
Creek road bridge rebuild	2,015	1,007
Efficiency funding	234,290	232,436
Sand shed	10,151	10,071
	417,912	390,224
Total reserves and reserve funds	602,670	672,802
Invested in tangible capital assets	2,713,916	2,687,288
Accumulated surplus	\$ 3,316,586	\$ 3,360,090

8. Taxation

	2020	2019
Taxation revenue	\$ 1,137,441	\$ 1,088,047
Less: Amount levied and remitted to school boards	150,828	152,325
	\$ 986,613	\$ 935,722

The Corporation of the Township of Tarbutt
Notes to the Financial Statements

December 31, 2020

9. Expenditures by object

	2020	2019
Salaries, wages and employee benefits	\$ 449,376	\$ 395,121
Materials	288,490	317,567
Contracted services	159,887	134,045
Rents and financial expenses	7,934	7,862
Amortization	367,663	342,555
Transfer payments	356,982	348,069
	\$ 1,630,332	\$ 1,545,219

10. Contributions to unconsolidated joint boards

The following contributions were made by the Township to these boards:

	2020	2019
Algoma District Service Administration Board	\$ 328,729	\$ 320,019
Algoma Public Health	18,253	18,050
	\$ 346,982	\$ 338,069

11. Pension agreements

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of three members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed on behalf of Township employees in 2020 was \$30,345 (2019 - \$21,300). No pension liability for this type of plan is included in the municipality's financial statements.

12. Trust funds

Trust funds administrated by the Township amounting to \$24,160 (2019 - \$23,760) have not been included in the " Balance Sheet" nor have their operations been included in the "Statement of Financial Activities".

The Corporation of the Township of Tarbutt

Notes to the Financial Statements

December 31, 2020

13. **Public Sector Salary Disclosure Act**

No employee was paid an annual salary of \$100,000 or more as defined by the Public Sector Salary Disclosure Act, 1996.

14. **Segmented Information**

The municipality is a diversified local government institution that provides a wide range of services to its citizens. For management reporting purposes municipal operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General government

The administration department oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of council.

Protection

Protection is comprised of the police, fire/emergency, by-law enforcement and building inspections departments. The mandate of the police is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The fire/emergency department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishments of fires. The by-law enforcement and building inspection department ensures properties are in compliance with applicable legislation, by-laws, building standards and construction codes.

Transportation

The transportation department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, winter control and street lighting.

Environmental

The environmental department provides garbage collection and waste minimization programs and facilities for solid waste disposal.

The Corporation of the Township of Tarbutt

Notes to the Financial Statements

December 31, 2020

14. Segmented Information continued

Health

Through the Algoma Health Unit, the municipality contributes to public health services and education and through the Algoma District Services Administration Board, to ambulance services. In addition, this department oversees the care and maintenance of municipal cemeteries.

Social and family

Through the Algoma District Services Administration Board, the municipality contributes to social assistance payments, child care services and social housing.

Recreation and cultural

The recreation and cultural department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as parks, arena, fitness and sports programs. It provides public services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement. The department also contributes towards the information needs of the municipality's citizens through the provision of library services.

Planning

The planning department provides a diverse bundle of services. It manages development for business interests, environmental concerns, heritage matters and neighbourhoods through planning and community development activities. It facilitates economic development by providing services for the approval of all land development plans.

For each reported segment, revenues and expenses include both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies.

The Corporation of the Township of Tarbutt
Schedule of Tangible Capital Assets

Schedule 1

Year ended December 31, 2020

	2020		2019		2020		2019		
	Opening Balance	Cost	Opening Balance	Cost	Net Book Value	Net Book Value	Net Book Value	Net Book Value	
		Additions and Betterments	Disposals/ Transfers	2020 Closing Balance	2020 Opening Balance	2020 Amortization Expense	Accumulated Amortization on Disposals	2020 Ending Balance	2019 Ending Balance
Land	\$ 58,299	\$ -	\$ -	\$ 58,299	\$ -	\$ -	\$ -	\$ -	\$ 58,299
Buildings	742,231	45,831	-	788,062	278,938	36,011	-	314,949	463,293
Equipment	115,270	-	-	115,270	82,083	3,642	-	85,725	33,187
Infrastructure	5,532,923	119,501	-	5,652,424	3,852,317	305,163	-	4,157,480	1,680,606
Vehicle and machinery	722,386	228,960	-	951,346	355,722	18,117	-	373,839	366,664
Waste management land	110,390	-	-	110,390	25,151	4,731	-	29,882	85,239
	\$ 7,281,499	\$ 394,292	\$ -	\$ 7,675,791	\$ 4,594,211	\$ 367,664	\$ -	\$ 4,961,875	\$ 2,713,916
									\$ 2,687,288

Draft for Discussion Only

**The Corporation of the Township of Tarbutt
Segment Disclosures - Service Bundle**

Schedule 2

Year ended December 31, 2020

	General Government	Protection services	Transportation services	Environmental services	Health services	Social and family services	Recreation and cultural services	Planning and development	Total
Expenditures									
Salaries and wages	\$ 302,561	\$ 10,134	\$ 89,143	\$ 39,038	\$ -	\$ -	\$ 8,500	\$ -	\$ 449,376
Materials, good and supplies	77,881	45,897	84,597	62,730	480	-	16,905	-	288,490
Contracted & general services	15,284	109,707	-	34,830	-	-	-	66	159,887
Rents and financial	1,016	-	-	-	-	-	-	6,918	7,934
Amortization expenses	4,658	17,134	335,457	5,074	-	-	5,340	-	367,663
Other	-	-	-	-	28,253	328,729	-	-	356,982
	401,400	182,872	509,197	141,672	28,733	328,729	30,745	6,984	1,630,332
Revenues									
Taxation	242,915	110,667	308,146	85,734	17,388	198,934	18,606	4,226	986,616
User charges	12,898	90	6,683	19,216	-	-	35,900	-	74,787
External non-tax revenues	122,091	55,623	154,879	43,091	8,740	99,987	9,351	2,124	495,886
Other	7,273	3,313	9,226	2,567	521	5,956	557	127	29,540
	385,177	169,693	478,934	150,608	26,649	304,877	64,414	6,477	1,586,829
Annual Surplus	\$ (16,223)	\$ (13,179)	\$ (30,263)	\$ 8,936	\$ (2,084)	\$ (23,852)	\$ 33,669	\$ (507)	\$ (43,503)

The Corporation of the Township of Tarbutt
Segment Disclosures - Service Bundle

Schedule 3

Year ended December 31, 2019

	General Government	Protection services	Transportation services	Environmental services	Health services	Social and family services	Recreation and cultural services	Planning and development	Total
Expenditures									
Salaries and wages	\$ 239,425	\$ 11,813	\$ 95,026	\$ 38,539	\$ -	\$ -	\$ 10,318	\$ -	\$ 395,121
Materials, good and supplies	74,397	49,609	103,793	65,479	5,176	-	19,113	-	317,567
Contracted & general services	15,129	110,901	-	7,886	-	-	-	129	134,045
Rents and financial	1,030	-	-	-	-	-	-	6,832	7,862
Amortization expenses	4,275	20,990	305,564	4,239	-	-	7,487	-	342,555
Other	-	-	-	-	28,050	-	-	-	348,069
	334,256	193,313	504,383	116,143	33,226	320,019	36,918	6,961	1,545,219
Revenues									
Taxation	202,412	117,063	305,434	70,332	20,120	193,791	22,356	4,215	935,723
User charges	3,734	185	3,732	42,703	-	-	23,820	500	74,674
External non-tax revenues	129,114	74,671	194,829	44,863	12,834	123,614	14,260	2,689	596,874
Other	8,581	4,963	12,949	2,982	853	8,216	948	179	39,671
	343,841	196,882	516,944	160,880	33,807	325,621	61,384	7,583	1,646,942
Annual Surplus (Deficit)	\$ 9,585	\$ 3,569	\$ 12,561	\$ 44,737	\$ 581	\$ 5,602	\$ 24,466	\$ 622	\$ 101,723

Independent Auditors' Report

To the Mayor and Council of The Corporation of the Township of Tarbutt:
Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of the Trust Funds of The Corporation of the Township of Tarbutt (the Trust), which comprise the balance sheet as at December 31, 2020, a statement of continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Funds of The Corporation of the Township of Tarbutt as at December 31, 2020, and the results of its operations in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted our audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am independent of the Trust 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

My 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 my 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 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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.

- Obtaining 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's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Trust to cease 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.

I 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.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Stefanizzi Professional Corporation
Chartered Professional Accountant
Sault Ste. Marie, Ontario
June 21, 2021

**The Corporation of the Township of Tarbutt
Trust Funds
Balance Sheet**

As at December 31,

	Operating Account	Perpetual Care	Actual 2020	Actual 2019
Assets				
Cash	\$ 849	\$ 23,312	\$ 24,161	\$ 23,760
Liabilities				
Due to Municipality	2,216	-	2,216	2,216
Fund balance	\$ (1,367)	23,312	21,945	21,544
	\$ 849	\$ 23,312	\$ 24,161	\$ 23,760

The Corporation of the Township of Tarbutt
Trust Funds
Statement of Continuity

Year ended December 31, (with comparative figures for the prior year)

	Operating Account	Perpetual Care	Actual 2020	Actual 2019
Balance, beginning of year	\$ (1,751)	\$ 23,295	\$ 21,544	\$ 21,044
Revenues				
Interest earned	-	411	411	511
Contribution from Trust fund	394	-	-	-
	394	411	411	511
Expenditures				
Contribution to Operating Account	-	394	-	-
Service charges	10	-	10	11
	10	394	10	11
Balance, end of year	\$ (1,367)	\$ 23,312	\$ 21,945	\$ 21,544

The Corporation of the Township of Tarbutt
Trust Funds
Notes to Financial Statements

December 31, 2020

1. Summary of significant account policies

Management responsibility

The financial statements of The Corporation of the Township of Tarbutt Trust Funds are the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Professional Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations.

Basis of accounting

Revenue and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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