

**The Corporation of the Township of  
Tarbutt  
Financial Statements  
For the year ended December 31, 2021**

**The Corporation of the Township of Tarbutt  
Financial Statements  
For the year ended December 31, 2021**

Contents

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## **Independent Auditors' Report**

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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, 2021, 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, 2021, 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  
May 2, 2022

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

<b>As at December 31,</b>	<b>2021</b>	<b>2020</b>
<b>Financial Assets</b>		
Cash and cash equivalents (note 3)	\$ 869,568	\$ 621,840
Taxes receivable	223,609	298,599
Accounts receivable	89,303	79,243
Government remittances recoverable	34,086	54,305
	<b>\$ 1,216,566</b>	<b>\$ 1,053,987</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 140,021	\$ 46,712
Deferred revenue (note 4)	164,594	95,004
Landfill site closure liability (note 5)	29,682	28,762
Municipal long-term debt (note 6)	201,971	280,840
	<b>536,268</b>	<b>451,318</b>
<b>Net financial assets</b>	<b>680,298</b>	<b>602,669</b>
<b>Non-financial assets</b>		
Tangible capital assets (schedule 1)	2,544,406	2,713,915
<b>Accumulated surplus</b> (note 7)	<b>\$ 3,224,704</b>	<b>\$ 3,316,585</b>

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)

	<b>Budget (Unaudited) 2021</b>	<b>Actual 2021</b>	<b>Actual 2020</b>
<b>Revenues</b>			
Taxation (note 8)	\$ 1,173,354	\$ 1,029,341	\$ 986,614
Federal grants	-	-	3,360
Provincial grants	567,051	363,504	355,503
Other municipalities	53,000	77,290	140,375
Fees and user charges	43,770	56,247	71,435
Interest and other	43,150	1,175	29,540
	<b>1,880,325</b>	<b>1,527,557</b>	<b>1,586,827</b>
<b>Expenditures</b>			
<b>Current</b>			
General government	398,466	391,537	401,399
Protection	169,925	204,356	182,872
Transportation services	600,368	430,540	509,196
Environmental services	119,277	144,405	141,672
Health services	34,531	31,882	28,733
Social and family services	335,904	335,904	328,729
Recreation and cultural services	44,187	60,468	30,745
Planning and development	8,450	20,348	6,984
	<b>1,711,108</b>	<b>1,619,440</b>	<b>1,630,330</b>
<b>Annual surplus (deficit)</b>	<b>169,217</b>	<b>(91,883)</b>	<b>(43,503)</b>
<b>Accumulated surplus, beginning of year</b>	<b>3,316,587</b>	<b>3,316,587</b>	<b>3,360,090</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 3,485,804</b>	<b>\$ 3,224,704</b>	<b>\$ 3,316,587</b>

**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)

	<b>Budget (Unaudited) 2021</b>	<b>Actual 2021</b>	<b>Actual 2020</b>
Annual surplus (deficit)	\$ 169,217	\$ (91,882)	\$ (43,504)
Acquisition of tangible capital assets	(78,250)	(153,593)	(394,292)
Amortization of tangible capital assets	-	234,129	367,663
Loss on disposal of tangible capital assets	-	14,975	-
Proceeds on sale of tangible capital assets	-	74,000	-
	90,967	77,629	(70,133)
<b>Net change in net financial assets</b>	90,967	77,629	(70,133)
<b>Net financial assets, beginning of year</b>	602,669	602,669	672,802
<b>Net financial assets, end of year</b>	\$ 693,636	\$ 680,298	\$ 602,669

**The Corporation of the Township of Tarbutt**  
**Statement of Cash Flow**

<b>For the year ended December 31,</b>	<b>2021</b>	<b>2020</b>
<b>Cash provided by (used for):</b>		
<b>Operating</b>		
Increase (decrease) in accumulated surplus	\$ (91,882)	\$ (43,503)
Changes in non-cash operating items:		
(Increase) decrease in taxes receivable	74,994	(88,404)
(Increase) decrease in accounts receivable	10,160	(82,570)
Increase (decrease) in accounts payable	93,310	23,810
Increase (decrease) in landfill post-closure costs	920	17,800
Increase (decrease) in deferred revenue	69,590	33,305
	157,092	(139,562)
Annual depreciation	234,129	367,663
	391,221	228,101
<b>Financing:</b>		
Proceeds from issuance of long-term debt	-	254,250
Principal repayment on long-term debt	(78,869)	(35,452)
	(78,869)	218,798
<b>Capital transactions:</b>		
Capital additions	(153,593)	(394,292)
Proceeds from sale of capital assets	74,000	-
Loss on disposal of capital assets	14,975	-
	(64,618)	(394,292)
Increase in cash for the year	247,734	52,607
Cash and cash equivalents, beginning of year	621,840	569,233
<b>Cash and cash equivalents, end of year</b>	<b>\$ 869,568</b>	<b>\$ 621,840</b>
Represented by:		
Cash	\$ 423,688	\$ 168,441
Temporary investments	\$ 445,880	\$ 453,399



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# The Corporation of the Township of Tarbutt

## Notes to the Financial Statements

December 31, 2021

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### 1. **Summary of significant account policies**

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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.

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# The Corporation of the Township of Tarbutt

## Notes to the Financial Statements

December 31, 2021

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### **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.

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# The Corporation of the Township of Tarbutt

## Notes to the Financial Statements

December 31, 2021

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### 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 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.

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# The Corporation of the Township of Tarbutt

## Notes to the Financial Statements

December 31, 2021

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### 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

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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.

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## 3. Cash and cash equivalents

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	2021	2020
Unrestricted cash	\$ 244,544	\$ 60,427
Restricted cash - deferred revenue (note 4)	164,595	95,003
Restricted cash - landfill post-closure legislated fund	14,549	13,011
Restricted cash - Tarbutt reserve temporary investments	445,880	453,399
	<u>\$ 869,568</u>	<u>\$ 621,840</u>

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

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# The Corporation of the Township of Tarbutt

## Notes to the Financial Statements

December 31, 2021

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#### 4. **Deferred revenue**

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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:

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	2021	2020
Canada Community Building Fund	\$ 157,987	\$ 91,399
Cash in lieu of parkland	3,605	3,605
Parkland dedication	3,003	-
	<u>\$ 164,595</u>	<u>\$ 95,004</u>

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#### 5. **Landfill site closure liability**

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The Township jointly owns and operates one landfill site with the Township of Johnson. The consolidated statement of financial position reflects a liability for anticipated future costs related to the closing and monitoring of the existing landfill site. As of the most recent report, the anticipated closure date is September 12, 2038 with 8,810 tonnes remaining. This liability represents the estimated total expenditures required for closure and post closure care. Where there was no internal information available, information was obtained from outside consultants and an actuary with experience with landfill construction. Once closed, this landfill site will be monitored for an estimated 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, 2021, the landfill closure and post closure costs have been actuarially estimated to be \$29,682.

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

**December 31, 2021**

**6. Municipal long-term debt**

	<b>2021</b>	<b>2020</b>
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	\$ 201,971	\$ 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
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
	<u>201,971</u>	<u>280,840</u>
Current portion	49,478	78,412
	<u>\$ 152,493</u>	<u>\$ 202,428</u>

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

2022	-	\$ 49,478
2023	-	\$ 50,223
2024	-	\$ 50,979
2025	-	\$ 51,291
2026	-	\$ -

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

**December 31, 2021**

**7. Accumulated surplus**

The accumulated surplus is comprised of the following:

	<b>2021</b>	<b>2020</b>
Reserves set aside for specific purposes by Council:		
General working capital	\$ 278,511	\$ 184,758
Reserve funds set aside for specific purposes by Council:		
Disposal site legislated fund	14,549	13,011
Cannabis funding	15,000	10,000
Culverts	16,072	16,032
Roads	58,875	58,728
Landfill working	5,810	7,290
Planning	2,260	2,252
Cemetery working capital	7,683	7,656
Administration	2,043	2,021
Legal fees	11,397	11,357
Fire	8,086	8,066
Emergency	2,554	2,545
MNR Fire	5,108	5,090
Culvert maintenance	28,488	27,408
Creek road bridge rebuild	3,020	2,015
Efficiency funding	210,665	234,290
Sand shed	10,177	10,151
	401,787	417,912
Total reserves and reserve funds	680,298	602,670
Invested in tangible capital assets	2,544,406	2,713,915
Accumulated surplus	\$ 3,224,704	\$ 3,316,585

**8. Taxation**

	<b>2021</b>	<b>2020</b>
Taxation revenue	\$ 1,184,258	\$ 1,137,441
Less: Amount levied and remitted to school boards	154,917	150,828
	\$ 1,029,341	\$ 986,613

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

**December 31, 2021**

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**9. Expenditures by object**

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	<b>2021</b>	<b>2020</b>
Salaries, wages and employee benefits	\$ 489,849	\$ 449,376
Materials	347,665	288,490
Contracted services	161,157	159,887
Rents and financial expenses	21,203	7,934
Amortization	226,390	362,323
Transfer payments	365,435	356,982
	<b>\$ 1,611,699</b>	<b>\$ 1,624,992</b>

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**10. Contributions to unconsolidated joint boards**

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

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	<b>2021</b>	<b>2020</b>
Algoma District Service Administration Board	\$ 335,904	\$ 328,729
Algoma Public Health	19,531	18,253
	<b>\$ 355,435</b>	<b>\$ 346,982</b>

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**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 2021 was \$22,272 (2020 - \$30,345). No pension liability for this type of plan is included in the municipality's financial statements.

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**12. Trust funds**

Trust funds administrated by the Township amounting to \$25,976 (2020 - \$24,160) have not been included in the " Balance Sheet" nor have their operations been included in the "Statement of Financial Activities".

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# The Corporation of the Township of Tarbutt

## Notes to the Financial Statements

December 31, 2021

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### 13. **Public Sector Salary Disclosure Act**

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

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### 14. **Segmented Information**

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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.

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# The Corporation of the Township of Tarbutt

## Notes to the Financial Statements

December 31, 2021

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### 14. Segmented Information continued

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#### **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, 2021**

	<b>Cost</b>				<b>Accumulated Amortization</b>			<b>2021</b>	<b>2020</b>	
	2021 Opening Balance	Additions and Betterments	Disposals/ Transfers	2021 Closing Balance	2021 Opening Balance	2021 Amortization Expense	Accumulated Amortization on Disposals	2021 Ending Balance	Net Book Value	Net Book Value
Land	\$ 58,299	\$ -	\$ -	\$ 58,299	\$ -	\$ -	\$ -	\$ -	\$ 58,299	\$ 58,299
Buildings	788,062	58,816	-	846,878	314,949	20,533	-	335,482	511,396	473,113
Equipment	115,270	-	-	115,270	85,726	4,910	-	90,636	24,634	29,544
Infrastructure	5,652,424	87,295	-	5,739,719	4,157,480	166,264	-	4,323,744	1,415,975	1,494,944
Vehicle and machinery	951,346	7,482	(171,118)	787,710	373,839	39,268	82,145	330,962	456,748	577,507
Waste management land	110,390	-	-	110,390	29,882	3,154	-	33,036	77,354	80,508
	<b>\$ 7,675,791</b>	<b>\$ 153,593</b>	<b>\$ (171,118)</b>	<b>\$ 7,658,266</b>	<b>\$ 4,961,876</b>	<b>\$ 234,129</b>	<b>\$ 82,145</b>	<b>\$ 5,113,860</b>	<b>\$ 2,544,406</b>	<b>\$ 2,713,915</b>

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

**Schedule 2**

**Year ended December 31, 2021**

	<b>General Government</b>	<b>Protection services</b>	<b>Transportation services</b>	<b>Environmental services</b>	<b>Health services</b>	<b>Social and family services</b>	<b>Recreation and cultural services</b>	<b>Planning and development</b>	<b>Total</b>
<b>Expenditures</b>									
Salaries and wages	\$ 288,407	\$ 15,561	\$ 119,422	\$ 47,781	\$ -	\$ -	\$ 18,678	\$ -	\$ 489,849
Materials, good and supplies	81,922	53,601	108,378	67,363	2,351	-	34,050	-	347,665
Contracted & general services	15,205	118,554	2,086	25,037	-	-	-	275	161,157
Rents and financial	1,130	-	-	-	-	-	-	20,073	21,203
Amortization expenses	4,873	16,639	200,655	4,223	-	-	-	-	226,390
Other	-	-	-	-	29,531	335,904	-	-	365,435
	391,537	204,355	430,541	144,404	31,882	335,904	52,728	20,348	1,611,699
<b>Revenues</b>									
Taxation	250,062	130,515	274,973	92,226	20,362	214,531	33,676	12,996	1,029,341
User charges	11,376	173	3,741	23,902	-	-	27,026	460	66,678
External non-tax revenues	104,550	54,568	114,965	38,559	8,513	89,695	14,080	5,433	430,363
Other	285	149	314	105	23	245	38	15	1,174
	366,273	185,405	393,993	154,792	28,898	304,471	74,820	18,904	1,527,556
<b>Annual Surplus</b>	<b>\$ (25,264)</b>	<b>\$ (18,950)</b>	<b>\$ (36,548)</b>	<b>\$ 10,388</b>	<b>\$ (2,984)</b>	<b>\$ (31,433)</b>	<b>\$ 22,092</b>	<b>\$ (1,444)</b>	<b>\$ (84,143)</b>

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

**Schedule 3**

**Year ended December 31, 2020**

	<b>General Government</b>	<b>Protection services</b>	<b>Transportation services</b>	<b>Environmental services</b>	<b>Health services</b>	<b>Social and family services</b>	<b>Recreation and cultural services</b>	<b>Planning and development</b>	<b>Total</b>
<b>Expenditures</b>									
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	1,030	-	-	-	-	-	-	6,904	7,934
Amortization expenses	4,658	17,134	335,457	5,074	-	-	-	-	362,323
Other	-	-	-	-	28,253	328,729	-	-	356,982
	401,414	182,872	509,197	141,672	28,733	328,729	25,405	6,970	1,624,992
<b>Revenues</b>									
Taxation	243,719	111,032	309,159	86,017	17,445	199,589	15,425	4,232	986,618
User charges	12,898	90	6,683	19,216	-	-	35,900	-	74,787
External non-tax revenues	122,496	55,806	155,388	43,233	8,768	100,316	7,753	2,127	495,887
Other	7,297	3,324	9,256	2,575	522	5,976	462	128	29,540
	386,410	170,252	480,486	151,041	26,735	305,881	59,540	6,487	1,586,832
<b>Annual Surplus (Deficit)</b>	<b>\$ (15,004)</b>	<b>\$ (12,620)</b>	<b>\$ (28,711)</b>	<b>\$ 9,369</b>	<b>\$ (1,998)</b>	<b>\$ (22,848)</b>	<b>\$ 34,135</b>	<b>\$ (483)</b>	<b>\$ (38,160)</b>



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## **Independent Auditors' Report**

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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, 2021, 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, 2021, 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  
May 2, 2022

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

**As at December 31,**

	<b>Operating Account</b>	<b>Perpetual Care</b>	<b>Actual 2021</b>	<b>Actual 2020</b>
<b>Assets</b>				
Cash	\$ 1,103	\$ 24,874	\$ 25,976	\$ 24,161
<b>Liabilities</b>				
Due to Municipality	2,216	-	2,216	2,216
<b>Fund balance</b>	\$ 446	23,312	23,760	21,945
	\$ 2,662	\$ 23,312	\$ 25,976	\$ 24,161



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

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

	<b>Operating Account</b>	<b>Perpetual Care</b>	<b>Actual 2021</b>	<b>Actual 2020</b>
<b>Balance, beginning of year</b>	\$ (1,367)	\$ 23,312	\$ 21,945	\$ 21,544
<b>Revenues</b>				
Interest earned	-	322	323	411
Contribution from Trust fund	1,822	-	1,500	-
	1,822	322	1,823	411
<b>Expenditures</b>				
Contribution to Operating Account	-	322	-	-
Service charges	9	-	9	10
	9	322	9	10
<b>Balance, end of year</b>	\$ 446	\$ 23,312	\$ 23,760	\$ 21,945

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

**December 31, 2021**

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**1. Summary of significant account policies**

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**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