

**Corporation of the
Municipality of Callander**

**Independent Auditor's Report and
Financial Report**

December 31, 2021

**Corporation of the
Municipality of Callander**

Financial Report

December 31, 2021

Management Report

Independent Auditor's Report

Consolidated Statement of Financial Position	1
Consolidated Statement of Operations and Accumulated Surplus	2
Consolidated Statement of Cash Flows	3
Consolidated Statement of Change in Net Financial Assets	4
Notes to the Consolidated Financial Statements	5-18

Cemetery Care and Maintenance Fund

Independent Auditor's Report	
Statement of Continuity	22
Statement of Financial Position	23
Note to the Financial Statements	24

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the Municipality of Callander (the "Municipality") are the responsibility of the Municipality's management and have been prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as described 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 Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, 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. Council meets with management and the external auditor 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 Baker Tilly SNT LLP, independent external auditor appointed by the Municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.



Senior Municipal Director
March 8, 2022



Treasurer
March 8, 2022

Baker Tilly SNT LLP / s.r.l.

1850 Bond, Unit / Unité A

North Bay, ON, Canada P1B 4V6

T: +1 705.494.9336

F: +1 705.494.8783

www.bakertilly.ca

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Municipality of Callander

Opinion

We have audited the consolidated financial statements of the Corporation of the Municipality of Callander, which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations and accumulated surplus, cash flows and change in net financial assets for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Municipality of Callander as at December 31, 2021, and its results of consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Municipality 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.

ACCOUNTING • TAX • ADVISORY

Baker Tilly SNT LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

COMPTABILITÉ • FISCALITÉ • SERVICES-CONSEILS

Baker Tilly SNT s.r.l. est membre de la Coopérative Baker Tilly Canada, qui fait partie du réseau mondial Baker Tilly International Limited. Les membres de la Coopérative Baker Tilly Canada et de Baker Tilly International Limited sont tous des entités juridiques distinctes et indépendantes.

Independent Auditor's Report (Continued)

1. Significant Accounting Policies (Continued) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (Continued)

1. ~~Significant Accounting Policies (Continued).~~ Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- 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 Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

North Bay, Ontario
March 8, 2022

Baker Tilly SNT LLP
CHARTERED PROFESSIONAL ACCOUNTANTS,
LICENSED PUBLIC ACCOUNTANTS

Corporation of the Municipality of Callander
Consolidated Statement of Financial Position
December 31, 2021



	<u>2021</u>	<u>2020</u>
Financial Assets		
Cash and cash equivalents (note 4)	\$ 6,844,487	\$ 5,570,525
Taxes receivable	340,363	350,034
Accounts receivable (note 5)	<u>816,410</u>	<u>761,901</u>
	<u>8,001,260</u>	<u>6,682,460</u>
Liabilities		
Accounts payable and accrued liabilities (note 6)	356,884	432,548
Deferred revenues - other (note 7)	424,925	367,859
Deferred revenues - obligatory reserve funds (note 8)	282,695	290,300
Municipal debt (note 9)	<u>2,032,996</u>	<u>2,247,551</u>
	<u>3,097,500</u>	<u>3,338,258</u>
Net Financial Assets	<u>4,903,760</u>	<u>3,344,202</u>
Non-Financial Assets		
Tangible capital assets (note 10)	21,666,933	21,575,219
Prepaid expenses	10,457	26,029
Inventories	<u>49,295</u>	<u>21,758</u>
	<u>21,726,685</u>	<u>21,623,006</u>
Accumulated Surplus (note 11)	<u>\$ 26,630,445</u>	<u>\$ 24,967,208</u>
Commitments (note 12)		

Approved by:

The accompanying notes are an integral part of these consolidated financial statements.

Corporation of the Municipality of Callander
Consolidated Statement of Operations and Accumulated Surplus
For The Year Ended December 31, 2021



	2021		2020
	<u>Budget</u> (Unaudited)	<u>Actual</u>	<u>Actual</u>
1. Significant Accounting Policies (Continued)			
Revenues			
Net taxation	\$ 5,843,107	\$ 5,844,100	\$ 5,713,447
User charges	1,407,510	1,479,970	1,260,643
Government grants and transfers - Provincial	881,229	764,456	861,834
Government grants and transfers - Federal	5,812	9,905	8,268
Other	261,272	260,856	278,736
Total revenues	<u>8,398,930</u>	<u>8,359,287</u>	<u>8,122,928</u>
Expenses			
General government	1,223,132	1,005,936	1,175,500
Protection services	1,363,651	1,297,827	1,250,422
Transportation services	1,651,671	1,591,299	1,422,770
Environmental services	1,518,714	1,482,747	1,541,904
Health services	416,914	430,457	423,400
Social and family services	445,644	444,794	411,359
Recreation and cultural services	902,043	959,307	814,529
Planning and development	209,251	196,309	164,115
Total expenses	<u>7,731,020</u>	<u>7,408,676</u>	<u>7,203,999</u>
Annual surplus before other	667,910	950,611	918,929
Other			
Government grants and transfers related to capital - Provincial	144,421	111,214	593,024
Government grants and transfers related to capital - Federal	325,031	601,412	194,906
Annual surplus	1,137,362	1,663,237	1,706,859
Accumulated surplus, beginning of year	<u>24,967,208</u>	<u>24,967,208</u>	<u>23,260,349</u>
Accumulated surplus, end of year	<u>\$ 26,104,570</u>	<u>\$ 26,630,445</u>	<u>\$ 24,967,208</u>

The accompanying notes are an integral part of these consolidated financial statements.

Corporation of the Municipality of Callander
Consolidated Statement of Cash Flows
For The Year Ended December 31, 2021



	<u>2021</u>	<u>2020</u>
1. Significant Accounting Policies (Continued)		
Operating transactions		
Annual surplus	\$ 1,663,237	\$ 1,706,859
 Cash and cash equivalents provided by (applied to)		
Non-cash items including amortization, write-downs and gain/loss on disposals		
Amortization of tangible capital assets	1,288,848	1,258,336
Loss on disposal of tangible capital assets	8,405	53,985
Decrease (increase) in taxes receivable	9,671	(64,956)
Increase in accounts receivable	(54,509)	(92,104)
Increase (decrease) in accounts payable and accrued liabilities	(75,664)	105,885
Increase (decrease) in deferred revenues - other	57,066	(503,381)
Increase (decrease) in deferred revenues - obligatory reserve funds	(7,605)	86,631
Decrease in prepaid expenses	15,572	988
Increase in inventories	(27,537)	(8,820)
Cash and cash equivalents provided by operating transactions	<u>2,877,484</u>	<u>2,543,423</u>
 Capital transactions		
Acquisition of tangible capital assets	(1,390,045)	(1,754,071)
Proceeds on disposal of tangible capital assets	1,078	-
Cash and cash equivalents applied to capital transactions	<u>(1,388,967)</u>	<u>(1,754,071)</u>
 Financing transactions		
Municipal debt repaid	(214,555)	(207,443)
Cash and cash equivalents applied to financing transactions	<u>(214,555)</u>	<u>(207,443)</u>
 Increase in cash and cash equivalents	1,273,962	581,909
 Cash and cash equivalents, beginning of year	<u>5,570,525</u>	<u>4,988,616</u>
 Cash and cash equivalents, end of year	<u><u>\$ 6,844,487</u></u>	<u><u>\$ 5,570,525</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Corporation of the Municipality of Callander
Consolidated Statement of Change in Net Financial Assets
For The Year Ended December 31, 2021



1. Significant Accounting Policies (Continued)

	<u>2021</u>		<u>2020</u>
	<u>Budget</u> (Unaudited)	<u>Actual</u>	<u>Actual</u>
Annual surplus	\$ 1,137,362	\$ 1,663,237	\$ 1,706,859
Amortization of tangible capital assets	1,288,848	1,288,848	1,258,336
Loss on disposal of tangible capital assets	-	8,405	53,985
Acquisition of tangible capital assets	(1,521,031)	(1,390,045)	(1,754,071)
Proceeds from disposal of tangible capital assets	1,078	1,078	-
Change in prepaid expenses	-	15,572	988
Change in inventories	-	(27,537)	(8,820)
Increase in net financial assets	906,257	1,559,558	1,257,277
Net financial assets, beginning of year	<u>3,344,202</u>	<u>3,344,202</u>	<u>2,086,925</u>
Net financial assets, end of year	<u><u>\$ 4,250,459</u></u>	<u><u>\$ 4,903,760</u></u>	<u><u>\$ 3,344,202</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

1. Significant Accounting Policies (Continued)

These consolidated financial statements of the Municipality are the representation of management prepared in accordance with accounting policies recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic consolidated financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement.

(a) Basis of Consolidation

- (i) These consolidated financial statements reflect the financial assets, liabilities, non-financial assets, accumulated surplus, revenues and expenses of the Municipality and include the activities of all committees of Council and of the Callander Public Library Board.

All inter-fund assets and liabilities and revenues and expenses have been eliminated.

(ii) Non-Consolidated Entities

The following joint local boards are not consolidated:

District of Parry Sound Social Services Administration Board
District of Parry Sound Land Ambulance
District of Parry Sound (East) Home for the Aged
North Bay Parry Sound District Health Unit

(iii) Accounting for School Board Transactions

The Municipality is required to collect and remit education support levies in respect of residential and other properties on behalf of the area school boards. The Municipality has no jurisdiction or control over the school boards operations. Therefore, taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the accumulated surplus of these consolidated financial statements.

(iv) Cemetery Care and Maintenance Fund

Cemetery Care and Maintenance Fund and their related operations administered by the Municipality are not consolidated, but are reported separately on the Cemetery Care and Maintenance Fund's Statement of Continuity and Statement of Financial Position.

1. Significant Accounting Policies (Continued)

(b) Basis of Accounting

(i) Accrual Basis

The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Cash and Cash Equivalents

The Municipality's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with maturities of three months from the date of acquisition or less or those that can be readily convertible to cash.

(iii) Deferred Revenues

Deferred revenues represent user charges and fees that have been collected for which the related services have yet to be performed. Revenue is recognized in the period when the services are performed.

(iv) Employee Future Benefits

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS) which is a multi-employer contributory defined benefit program with contributions expensed as incurred. The costs of other retirement benefits are determined using the projected benefit method prorated on services and management's best estimate of retirement ages of employees and health benefits costs. The liabilities are discounted using current interest rates on long-term bonds.

(v) Segmented Information

The Municipality reports its segmented information on functional areas and programs in its consolidated financial statements similar to reporting reflected as part of the Ontario Financial Information Return. These functional areas represent segments for the Municipality:

General Government

General government is comprised of Council, administration, and Ontario Property Assessment.

Protection Services

Protection is comprised of police, fire and other protective services.

Transportation Services

Transportation services are responsible for road maintenance, culverts, bridges, winter control, traffic, signs signals and streetlights.

1. Significant Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

(v) Segmented Information (Continued)

Environmental Services

Environmental services include water supply and distribution, wastewater treatment, waste and recycling services.

Health Services

Health services include public health services and cemetery services.

Social and Family Services

Social and family services include social assistance, long-term care, paramedic services, social housing and child care services.

Recreation and Cultural Services

Recreation and cultural services include parks and recreation, recreation facilities, culture and libraries.

Planning and Development

Planning and development manages development for residential and business interests as well as services related to the Municipality's economic development programs.

(vi) 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 annual surplus, provides the Consolidated Change in Net Financial Assets for the year.

i) Tangible Capital Assets

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

Land improvements	20 years
Roadways	5 to 60 years
Buildings	50 years
Machinery, equipment and furniture	5 to 20 years
Vehicles	8 to 20 years
Water and sewer system	60 years
Marina	25 to 80 years
Computer hardware and software	5 years

1. Significant Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

(vi) Non-Financial Assets (Continued)

i) Tangible Capital Assets (Continued)

One half of the annual amortization is charged in the year of acquisition and in the year of disposal.

Assets under construction are not amortized until the asset is available for productive use.

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

ii) Inventories

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

iii) Prepaid expenses

Prepaid expenses represent amounts paid in advance for a good or service not yet received. The expense is recognized once the goods have been received or the services have been performed.

(vii) Taxation and Other Revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC") and in accordance with the provisions of the Municipal Act, 2001. Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes.

A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued.

Assessment and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known or based on management's best estimates.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

Other income is recognized as revenue when earned. Fines and fees are recognized as revenue when collected.

1. Significant Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

(viii) Government Grants and Transfers

Government grants and transfers are recognized in the financial statements in the period in which events giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that stipulations associated with the transfer give rise to a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. The transfer revenue is recognized in the statement of operations as the stipulations giving rise to the liabilities are settled.

(ix) Estimates

The preparation of consolidated financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions. These estimates and assumptions are based on management's best information and judgment and may differ significantly from actual results.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak and measures introduced at various levels of government to curtail the spread of the virus, such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing has adversely affected workforces, customers, economies and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many entities. This outbreak could adversely impact the results of the Municipality's operations. The extent of the impact of this outbreak and related containment measures on the Municipality's operations cannot be reliably estimated at this time.

2. Measurement Uncertainty

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Municipality's best information and judgment.

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

By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

1. Significant Accounting Policies (Continued)
3. Future Accounting Pronouncements

These standards and amendments were not effective in the year ended December 31, 2021, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

Section PS 3450 - Financial Instruments, establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments for public sector entities. The standard requires fair value measurement of derivatives and portfolio investments that are equity instruments quoted in an active market. All other non-derivative financial instruments will be measured at cost or amortized cost. A government can elect to record other financial assets or liabilities on a fair value basis, if they manage and evaluate the asset and liability groups on that basis. Unrealized gains and losses are represented in the new statement of re-measurement gains and losses. New requirements clarify when financial liabilities can be de-recognized. Disclosure of the nature and extent of risks arising from holding financial instruments is also required. This section is effective for fiscal years beginning on or after April 1, 2022. Early adoption is permitted.

Section PS 1201 - Financial Statement Presentation, was issued in June 2011. This standard requires entities to present a new statement of re-measurement gains and losses separate from the statement of operations. This new statement includes unrealized gains and losses arising from re-measurement of financial instruments and items denominated in foreign currencies and any other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This section is effective for fiscal years beginning on or after April 1, 2022 and applies when PS 2601 and PS 3450 are adopted.

Section PS 2601 - Foreign Currency Translation, was issued in June 2011 and replaces the existing Section PS 2600. This standard has been revised to ensure consistency with the financial instruments standard. The standard requires that non-monetary items denominated in foreign currency that are included in the fair value category are adjusted to reflect the exchange rate at the financial statement date. Unrealized exchange gains and losses are presented in the new statement of re-measurement gains and losses. This section is effective for fiscal years beginning on or after April 1, 2022. Early adoption is permitted.

Section PS 3280 - Asset Retirement Obligations, was issued in August 2018. This standard establishes standards on how to account for and report a liability for asset retirement obligations. It defines which activities would be included in a liability for retirement of a tangible capital asset, establishes when to recognize and how to measure a liability for an asset retirement obligation and provides the related financial statement presentation and disclosure requirements. This section is effective for fiscal years beginning on or after April 1, 2022. Early adoption is permitted.

Corporation of the Municipality of Callander
Notes to the Consolidated Financial Statements
December 31, 2021



1. Significant Accounting Policies (Continued)

4. Cash and Cash Equivalents

	<u>2021</u>	<u>2020</u>
Cash	\$ 6,844,487	\$ 5,309,301
Term deposits matured January 2021, bearing interest at 2.00%	<u>-</u>	<u>261,224</u>
	<u><u>\$ 6,844,487</u></u>	<u><u>\$ 5,570,525</u></u>

5. Accounts Receivable

	<u>2021</u>	<u>2020</u>
Federal	\$ 384,332	\$ 309,494
Province of Ontario	49,703	18,418
User Charges	345,862	355,671
Other	<u>36,513</u>	<u>78,318</u>
	<u><u>\$ 816,410</u></u>	<u><u>\$ 761,901</u></u>

6. Accounts Payable and Accrued Liabilities

	<u>2021</u>	<u>2020</u>
Federal	\$ 27,954	\$ 27,023
Province of Ontario	8,846	8,939
Trade payables	208,467	164,299
Other	<u>111,617</u>	<u>232,287</u>
	<u><u>\$ 356,884</u></u>	<u><u>\$ 432,548</u></u>

Corporation of the Municipality of Callander
Notes to the Consolidated Financial Statements
December 31, 2021



7. Significant Accounting Policies (Continued)

Deferred revenue set-aside for specific purposes are comprised of the following:

	Balance as at December 30, 2020	Amounts received during the year	Recognized as revenues during the year	Balance as at December 31, 2021
Planning	\$ 25,060	\$ 10,000	\$ 140	\$ 34,920
Library fund	321,958	12,662	500	334,120
Modernization grant	-	49,000	13,646	35,354
Other	20,841	6,243	6,553	20,531
Total Deferred Revenues - Other	\$ 367,859	\$ 77,905	\$ 20,839	\$ 424,925

8. Deferred Revenues - Obligatory Reserve Funds

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

	Balance as at December 30, 2020	Amounts received during the year	Recognized as revenues during the year	Balance as at December 31, 2021
Development charges	\$ 188,386	\$ 44,269	\$ 10,981	\$ 221,674
Federal gas tax	39,624	481,788	521,412	-
Safe restart	62,290	54,699	55,968	61,021
Total Deferred Revenues - Obligatory Reserve Funds	\$ 290,300	\$ 580,756	\$ 588,361	\$ 282,695

Corporation of the Municipality of Callander
Notes to the Consolidated Financial Statements
December 31, 2021



1. Significant Accounting Policies (Continued)

9. Municipal Debt

	<u>2021</u>	<u>2020</u>
Debenture, repayable in monthly instalments of \$2,918, including interest at the fixed rate of 3.12%, maturing December 2, 2023	\$ 67,814	\$ 100,169
Debenture, repayable in monthly instalments of \$4,548, including interest at the fixed rate of 3.62%, maturing December 2, 2028	337,038	378,596
Debenture, repayable in monthly instalments of \$9,550, including interest at the fixed rate of 3.03%, maturing December 2, 2029	813,232	901,731
Debenture, repayable in monthly instalments of \$7,107, including interest at the fixed rate of 3.93%, maturing December 2, 2033	<u>814,912</u>	<u>867,055</u>
	<u>\$ 2,032,996</u>	<u>\$ 2,247,551</u>

Principal instalments required to be paid over the next five years are as follows:

2022	\$ 221,914
2023	229,529
2024	201,884
2025	208,913
2026	216,190
Thereafter	<u>954,566</u>
Total	<u>\$ 2,032,996</u>

Corporation of the Municipality of Callander
Notes to the Consolidated Financial Statements
December 31, 2021



10. Tangible Capital Assets

	<u>Cost</u>				<u>Accumulated amortization</u>				<u>Net Book Value</u>		
	<u>Balance, beginning of year</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance, end of year</u>	<u>Balance, beginning of year</u>	<u>Amortization</u>	<u>Disposals</u>	<u>Balance, end of year</u>	<u>2021</u>	<u>2020</u>
Land	\$ 1,503,555	\$ -	\$ (2,584)	\$ -	\$ 1,500,971	\$ -	\$ -	\$ -	\$ -	\$ 1,500,971	\$ 1,503,555
Land improvements	1,079,996	-	-	-	1,079,996	613,670	72,887	-	686,557	393,439	466,326
Roadways	15,167,975	876,450	(205,843)	-	15,838,582	9,772,028	418,694	(205,843)	9,984,879	5,853,703	5,395,947
Buildings	7,042,170	36,183	-	1,465	7,079,818	2,950,852	178,748	-	3,129,600	3,950,218	4,091,318
Machinery, equipment and furniture	829,662	24,551	(3,657)	-	850,556	617,486	45,082	(2,849)	659,719	190,837	212,176
Vehicles	2,862,578	203,876	-	-	3,066,454	1,282,349	170,888	-	1,453,237	1,613,217	1,580,229
Water and sewer system	12,867,551	69,843	-	-	12,937,394	6,560,287	335,928	-	6,896,215	6,041,179	6,307,264
Marina	2,012,552	-	-	-	2,012,552	208,293	32,045	-	240,338	1,772,214	1,804,259
Computer hardware and software	533,159	14,288	-	-	547,447	388,522	34,576	-	423,098	124,349	144,637
Assets under construction	69,508	164,854	(6,091)	(1,465)	226,806	-	-	-	-	226,806	69,508
	<u>\$ 43,968,706</u>	<u>\$ 1,390,045</u>	<u>\$ (218,175)</u>	<u>\$ -</u>	<u>\$ 45,140,576</u>	<u>\$ 22,393,487</u>	<u>\$ 1,288,848</u>	<u>\$ (208,692)</u>	<u>\$ 23,473,643</u>	<u>\$ 21,666,933</u>	<u>\$ 21,575,219</u>

Corporation of the Municipality of Callander
Notes to the Consolidated Financial Statements
December 31, 2021



11. Accumulated Surplus

	<u>2021</u>	<u>2020</u>
Surplus		
Invested in tangible capital assets	\$ 21,666,933	\$ 21,575,219
General	68,968	59,485
Callander Public Library Board	111,947	107,985
Unfunded		
Municipal debt	<u>(2,032,996)</u>	<u>(2,247,551)</u>
Total surplus	<u>19,814,852</u>	<u>19,495,138</u>
Reserves		
Special purpose reserves		
Working capital	888,411	731,475
Water and wastewater	1,611,953	1,192,059
Library services	381,749	341,749
Protection services	209,187	75,604
Community development	24,184	24,184
Road maintenance and equipment	2,341,634	2,362,075
Museum building	7,130	3,738
Building upgrades and replacements	955,500	355,500
Human resources	-	20,000
Election	24,703	19,405
Tax rate stabilization	113,302	108,970
Parks and recreation facilities	257,840	237,311
Total reserves	<u>6,815,593</u>	<u>5,472,070</u>
Accumulated Surplus	<u>\$ 26,630,445</u>	<u>\$ 24,967,208</u>

12. Commitments

During the year the Municipality entered into the following contracts that remain incomplete as of December 31, 2021:

- Installation of a play structure of approximately \$189,164 plus applicable taxes
- Operations service review of approximately \$26,820 plus applicable taxes
- Accommodation review services of approximately \$72,000 plus applicable taxes

At December 31, 2021, there was approximately \$115,431 of work remaining to be completed.

13. Operations of School Boards

Further to note 1(a)(iii), the taxation, other revenues and expenses of the school boards are comprised of the following:

	<u>2021</u>	<u>2020</u>
Taxation	<u>\$ 1,043,441</u>	<u>\$ 1,053,541</u>
Total amounts received or receivable	1,043,441	1,053,541
Requisitions	<u>1,043,441</u>	<u>1,053,541</u>
	<u>\$ -</u>	<u>\$ -</u>

14. Contributions to Unconsolidated Joint Local Boards

Further to note 1(a)(ii), the following contributions were made by the Municipality to these boards:

	<u>2021</u>	<u>2020</u>
District of Parry Sound Social Services Administration Board	<u>\$ 239,438</u>	<u>\$ 239,077</u>
District of Parry Sound Land Ambulance	172,281	181,513
District of Parry Sound (East) Home for the Aged	201,636	167,430
North Bay Parry Sound District Health Unit	<u>123,707</u>	<u>123,707</u>
	<u>\$ 737,062</u>	<u>\$ 711,727</u>

15. Cemetery Care and Maintenance Fund

Cemetery Care and Maintenance Fund administered by the Municipality amounting to \$128,067 (2020 - \$122,156) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

16. Pension Agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of all permanent, full-time and qualifying part-time 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 OMERS Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to approximately 541,000 active and retired members and approximately 1,000 employers.

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan ('the Plan') by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. On December 31, 2021, the estimated accrued pension obligation for all members of the Plan was \$119,342 million (2020 - \$111,820 million). The Plan had an actuarial value of net assets at that date of \$116,211 million (2020 - \$108,609 million) indicating an actuarial deficit of \$3,131 million (2020 - \$3,211 million). The Plan is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed by the Municipality to OMERS for 2021 was \$145,872 (2020 - \$159,344) for current services and is included as an expense on the Consolidated Statement of Operations.

On January 1, 2021, the yearly maximum pension earnings increased to \$61,600 from \$58,700 in 2020. The contributions are calculated at a rate of 9.0% (2020 - 9.0%) for the amount up to the yearly maximum pension earnings stated above and at a rate of 14.6% (2020 - 14.6%) for the amount above the yearly maximum pension earnings.

17. Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by Council. The budget approved by Council is based on a model used to manage departmental spending within the guidelines of the model. Given the differences between the model and generally accepted accounting principles established by the Public Sector Accounting Board, the budget figures presented have been adjusted to conform with the basis of accounting that is used to prepare the consolidated financial statements. The budget figures are unaudited.

18. Comparative Figures

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.

Corporation of the Municipality of Callander
Notes to the Consolidated Financial Statements
December 31, 2021



19. Segmented Information

	<u>General Government</u>	<u>Protection Services</u>	<u>Transportation Services</u>	<u>Environmental Services</u>	<u>Health Services</u>	<u>Social and Family Services</u>	<u>Recreation and Cultural Services</u>	<u>Planning and Development</u>	<u>2021 Total</u>	<u>2020 Total</u>
Revenues										
Net taxation	\$ 793,501	\$ 1,023,750	\$ 1,255,246	\$ 1,169,618	\$ 339,552	\$ 350,862	\$ 756,719	\$ 154,852	\$ 5,844,100	\$ 5,713,447
User charges	3,867	24,734	250	1,305,309	14,005	-	27,904	103,901	1,479,970	1,260,643
Government grants and transfers - Provincial	159,662	148,965	123,869	146,553	33,507	34,623	101,996	15,281	764,456	861,834
Government grants and transfers - Federal	-	-	-	-	-	-	9,905	-	9,905	8,268
Other	15,345	64,259	32,304	25,230	84,749	6,263	37,025	(4,319)	260,856	278,736
Total revenues	<u>972,375</u>	<u>1,261,708</u>	<u>1,411,669</u>	<u>2,646,710</u>	<u>471,813</u>	<u>391,748</u>	<u>933,549</u>	<u>269,715</u>	<u>8,359,287</u>	<u>8,122,928</u>
Expenses										
Salaries, wages and employee benefits	651,479	317,819	561,466	25,923	4,142	-	373,029	102,116	2,035,974	2,200,942
Materials, contracted services, rents, and financial expenses	321,313	828,090	492,565	1,016,454	95,155	-	353,621	81,173	3,188,371	2,869,257
Transfers to other governments and the public	-	58,035	-	-	317,726	444,794	-	-	820,555	793,423
Amortization	33,144	93,883	534,603	381,127	13,434	-	232,657	-	1,288,848	1,258,336
Interest on municipal debt	-	-	2,665	59,243	-	-	-	13,020	74,928	82,041
Total expenses	<u>1,005,936</u>	<u>1,297,827</u>	<u>1,591,299</u>	<u>1,482,747</u>	<u>430,457</u>	<u>444,794</u>	<u>959,307</u>	<u>196,309</u>	<u>7,408,676</u>	<u>7,203,999</u>
Annual surplus (deficit) before other	(33,561)	(36,119)	(179,630)	1,163,963	41,356	(53,046)	(25,758)	73,406	950,611	918,929
Other										
Government grants and transfers related to capital - Provincial	-	-	91,214	-	-	-	20,000	-	111,214	593,024
Government grants and transfers related to capital - Federal	-	-	521,412	-	-	-	80,000	-	601,412	194,906
Annual surplus (deficit)	<u>\$ (33,561)</u>	<u>\$ (36,119)</u>	<u>\$ 432,996</u>	<u>\$ 1,163,963</u>	<u>\$ 41,356</u>	<u>\$ (53,046)</u>	<u>\$ 74,242</u>	<u>\$ 73,406</u>	<u>\$ 1,663,237</u>	<u>\$ 1,706,859</u>

Baker Tilly SNT LLP / s.r.l.

1850 Bond, Unit / Unité A

North Bay, ON, Canada P1B 4V6

T: +1 705.494.9336

F: +1 705.494.8783

www.bakertilly.ca

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of Corporation of the Municipality of Callander

Opinion

We have audited the financial statements of the Cemetery Care and Maintenance Fund of the Corporation of the Municipality of Callander, which comprise the statement of financial position as at December 31, 2021, and the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Cemetery Care and Maintenance Fund of the Corporation of the Municipality of Callander as at December 31, 2021, and the continuity of the Cemetery Care and Maintenance Fund for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Municipality 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.

ACCOUNTING • TAX • ADVISORY

Baker Tilly SNT LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

COMPTABILITÉ • FISCALITÉ • SERVICES-CONSEILS

Baker Tilly SNT s.r.l. est membre de la Coopérative Baker Tilly Canada, qui fait partie du réseau mondial Baker Tilly International Limited. Les membres de la Coopérative Baker Tilly Canada et de Baker Tilly International Limited sont tous des entités juridiques distinctes et indépendantes.

Independent Auditor's Report (Continued)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

North Bay, Ontario
March 8, 2022

Baker Tilly SNT LLP

CHARTERED PROFESSIONAL ACCOUNTANTS,
LICENSED PUBLIC ACCOUNTANTS



**Corporation of the Municipality of Callander
Cemetery Care and Maintenance Fund - Statement of Continuity
For The Year Ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 122,156	\$ 117,741
Investment income	3,638	2,502
Sale of plots and marker installations	<u>4,570</u>	<u>4,400</u>
	130,364	124,643
Expenses		
Transfer to current fund of the Corporation of the Municipality of Callander	<u>2,297</u>	<u>2,487</u>
Balance, end of year	<u><u>\$ 128,067</u></u>	<u><u>\$ 122,156</u></u>

The accompanying note is an integral part of these financial statements.



Corporation of the Municipality of Callander
Cemetery Care and Maintenance Fund - Statement of Financial Position
December 31, 2021

	<u>2021</u>	<u>2020</u>
Financial Assets		
Cash and term deposits	\$ 123,497	\$ 117,756
Accounts receivable	<u>4,570</u>	<u>4,400</u>
	<u>128,067</u>	<u>122,156</u>
Liabilities	<u>-</u>	<u>-</u>
Net Financial Assets	128,067	122,156
Non-Financial Assets	<u>-</u>	<u>-</u>
Accumulated Surplus	<u><u>\$ 128,067</u></u>	<u><u>\$ 122,156</u></u>

The accompanying note is an integral part of these financial statements.

Corporation of the Municipality of Callander
Cemetery Care and Maintenance Fund - Note to the Financial Statements
December 31, 2021



1. Accounting Policies

Basis of Accounting

Capital receipts and income are reported on the cash basis of accounting.

Expenses are reported on the cash basis of accounting with the exception of administrative expenses and capital expenses which are reported on the accrual basis of accounting, which recognizes expenses as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.