

**CORPORATION OF THE
TOWNSHIP OF TINY**

COUNTY OF SIMCOE

CONSOLIDATED FINANCIAL REPORT

DECEMBER 31, 2020

THE CORPORATION OF THE TOWNSHIP OF TINY

DECEMBER 31, 2020

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THE CORPORATION OF THE TOWNSHIP OF TINY

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL REPORT

The accompanying consolidated financial statements of The Corporation of the Township of Tiny ("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.

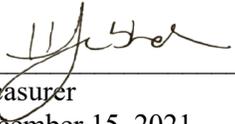
The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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, 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.

The consolidated financial statements have been audited by Baker Tilly SGB 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.



Chief Administrative Officer
December 15, 2021



Treasurer
December 15, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the The Corporation of the Township of Tiny:

Opinion

We have audited the consolidated financial statements of The Corporation of the Township of Tiny ("the Municipality"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the 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 Municipality as at December 31, 2020, and its consolidated results of operations and 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.

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 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 relating 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 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.
- 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.

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

Baker Tilly SGB LLP

Chartered Professional Accountants
Licensed Public Accountants
Collingwood, Ontario
December 15, 2021

THE CORPORATION OF THE TOWNSHIP OF TINY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

| | 2020 | 2019 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Financial assets | | |
| Cash and cash equivalents (Note 2) | 7,867,496 | 6,621,863 |
| Taxes receivable | 2,068,665 | 2,174,187 |
| Trade and other receivables | 748,910 | 816,415 |
| Long-term receivables (Note 3) | 42,204 | 51,998 |
| | 10,727,275 | 9,664,463 |
| Liabilities | | |
| Accounts payable and accruals | 3,313,077 | 2,266,047 |
| Construction deposits | 826,412 | 1,035,344 |
| Deferred revenue - obligatory reserve funds (Note 4) | 2,285,823 | 2,252,295 |
| Deferred revenue | 54,461 | 97,067 |
| Long-term liabilities (Note 7) | 25,028 | 25,028 |
| | 6,504,801 | 5,675,781 |
| Net financial assets | 4,222,474 | 3,988,682 |
| Non-financial assets | | |
| Tangible capital assets - net (Schedule 1 and Note 6) | 68,132,783 | 67,184,232 |
| Prepaid expenses and inventories of supplies | 502,987 | 1,001,966 |
| | 68,635,770 | 68,186,198 |
| Accumulated surplus (Note 9) | 72,858,244 | 72,174,880 |

Approved  Mayor
January 12, 2022 Date

The accompanying notes are an integral part of
these financial statements

THE CORPORATION OF THE TOWNSHIP OF TINY

CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31

| | Budget 2020 | Actual 2020 | Actual 2019 |
|--|-------------------|-------------------|----------------|
| | \$ (Note 5) | \$ | \$ |
| Revenues | | | |
| Net municipal taxation (Note 10) | 12,611,841 | 12,615,081 | 11,805,253 |
| User charges | 4,082,337 | 3,944,251 | 4,164,985 |
| Government grants | 1,935,528 | 2,762,024 | 1,937,934 |
| Investment | 116,260 | 103,073 | 185,259 |
| Other (Note 13) | 222,878 | 210,405 | 350,186 |
| | 18,968,844 | 19,634,834 | 18,443,617 |
| Expenses | | | |
| General government | 2,691,333 | 2,992,291 | 2,677,509 |
| Protection services | 5,985,788 | 5,812,918 | 5,774,427 |
| Transportation services | 6,989,659 | 6,353,968 | 5,993,252 |
| Environmental and water services | 3,192,556 | 2,291,991 | 2,052,043 |
| Recreational and cultural services | 2,935,726 | 2,160,046 | 2,585,682 |
| Planning and development | 650,398 | 462,417 | 460,812 |
| Health services | 55,000 | 76,000 | 31,500 |
| | 22,500,460 | 20,149,631 | 19,575,225 |
| Net expenses | (3,531,616) | (514,797) | (1,131,608) |
| Other | | | |
| Grants and transfers related to capital | | | |
| Government grants | 362,188 | 360,951 | 1,069,791 |
| Contributions from obligatory reserve funds | 942,000 | 832,542 | 973,895 |
| Donations | - | - | 170,000 |
| Gain on disposal of tangible capital assets | 310,000 | 4,668 | 235,781 |
| | 1,614,188 | 1,198,161 | 2,449,467 |
| Annual surplus (deficit) | (1,917,428) | 683,364 | 1,317,859 |
| Accumulated surplus, beginning of year | | 72,174,880 | 70,857,021 |
| Accumulated surplus, end of year (Note 9) | | 72,858,244 | 72,174,880 |

The accompanying notes are an integral part of
these financial statements

THE CORPORATION OF THE TOWNSHIP OF TINY

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31

| | 2020 | 2019 |
|--|------------------|-------------|
| | \$ | \$ |
| Annual surplus | 683,364 | 1,317,859 |
| Acquisition of tangible capital assets | (4,817,491) | (5,282,540) |
| Amortization of tangible capital assets | 3,860,655 | 3,755,336 |
| Gain on disposal of tangible capital assets | (4,668) | (235,781) |
| Proceeds on disposal of tangible capital assets | 12,953 | 301,752 |
| Change in prepaid expenses and inventories of supplies | 498,979 | (643,030) |
| Change in net financial assets | 233,792 | (786,404) |
| Net financial assets, beginning of year | 3,988,682 | 4,775,086 |
| Net financial assets, end of year | 4,222,474 | 3,988,682 |

The accompanying notes are an integral part of
these financial statements

THE CORPORATION OF THE TOWNSHIP OF TINY

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31

| | 2020 | 2019 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Cash flows from (for): | | |
| Operating activities | | |
| Annual surplus | 683,364 | 1,317,859 |
| Non-cash items: | | |
| Amortization of tangible capital assets | 3,860,655 | 3,755,336 |
| Gain on disposal of tangible capital assets | (4,668) | (235,781) |
| | 4,539,351 | 4,837,414 |
| Changes in: | | |
| Taxes receivable | 105,522 | 53,448 |
| Trade and other receivables | 67,505 | (97,945) |
| Long-term receivables | 9,794 | 9,638 |
| Prepaid expenses and inventories of supplies | 498,979 | (643,030) |
| Accounts payable and accruals | 1,047,030 | (1,645,231) |
| Construction deposits | (208,932) | (199,934) |
| Deferred revenue | (42,606) | 97,067 |
| Net change in cash from operations | 6,016,643 | 2,411,427 |
| Capital activities | | |
| Acquisition of tangible capital assets | (4,817,491) | (5,282,540) |
| Proceeds on disposal of tangible capital assets | 12,953 | 301,752 |
| Net change in cash from capital | (4,804,538) | (4,980,788) |
| Financing activities | | |
| Change in long-term liabilities | - | (3,365) |
| Change in deferred revenue - obligatory reserve funds | 33,528 | 230,756 |
| Net change in cash from financing | 33,528 | 227,391 |
| Net change in cash position | 1,245,633 | (2,341,970) |
| Cash and cash equivalents, beginning of year | 6,621,863 | 8,963,833 |
| Cash and cash equivalents, end of year | 7,867,496 | 6,621,863 |

The accompanying notes are an integral part of
these financial statements

THE CORPORATION OF THE TOWNSHIP OF TINY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT THURSDAY, DECEMBER 31, 2020

Nature of operations

The Corporation of the Township of Tiny ("the Municipality") is a lower-tier municipality located in the County of Simcoe, Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes, such as the Municipal Act, Municipal Affairs Act and related legislation. The Municipality provides municipal services such as police (OPP contract), fire, public works, planning, parks, recreation and culture and other general government services.

1. Summary of significant accounting policies

The consolidated financial statements of the Municipality are prepared by management in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position includes all of the assets and liabilities of the Municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the Municipality's overall future revenue requirements and its ability to finance activities and meet its obligations. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the Municipality. They include the activities of government departments, funds, municipal organizations, committees of Council and Boards which are owned or controlled by the Municipality.

The following entities have been proportionately consolidated (See Note 12):

| | |
|--|-----|
| Huronina Airport Commission | 22% |
| Severn Sound Environmental Association | 17% |

All interfund assets and liabilities and sources of financing and expenses have been eliminated.

(b) Basis of accounting

Sources of financing and expenses are reported on the accrual basis of accounting. 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.

(c) Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term, highly liquid financial instruments with a maturity of three months or less at acquisition.

(d) Long-term receivables

Long-term receivables represent local improvement charges recoverable from benefiting land owners and are reported on the consolidated statement of financial position.

THE CORPORATION OF THE TOWNSHIP OF TINY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT THURSDAY, DECEMBER 31, 2020

1. Summary of significant accounting policies (continued)

(e) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual deficit, provides the consolidated change in net financial assets for the year.

(i) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital assets as follows:

| | |
|------------------------|------------------|
| Land improvements | - 10 to 30 years |
| Buildings | - 10 to 40 years |
| Information technology | - 4 to 5 years |
| Equipment | - 1 to 75 years |
| Infrastructure | - 5 to 100 years |
| Vehicles | - 7 to 20 years |

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Work in progress is not amortized until the asset is available for productive use.

(ii) Intangible assets

Intangible assets and items inherited by right of the Crown, such as Crown lands, forests, water and mineral resources, are not recognized as assets in the financial statements.

(iii) Inventories

Inventories consist of fuel, sand and gravel and are recorded at the lower of cost and net realizable value. Cost is determined on the average cost basis.

(f) County and School Boards

The Municipality collects taxation revenue on behalf of School Boards and the County of Simcoe. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the School Boards and the County of Simcoe are not reflected in these financial statements.

(g) Pension plan

The Municipality offers a pension plan for its full-time employees through the Ontario Municipal Employee Retirement System ("OMERS"). OMERS is a multi-employer, contributory, public sector pension fund established for employees of municipalities, local boards and school boards in Ontario. Participating employers and employees are required to make plan contributions based on participating employees' contributory earnings. The Municipality accounts for its participation in OMERS as a defined contribution plan and recognizes the expense related to this plan as contributions are made, even though OMERS is itself a defined benefit plan.

THE CORPORATION OF THE TOWNSHIP OF TINY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT THURSDAY, DECEMBER 31, 2020

1. Summary of significant accounting policies (continued)

(h) 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. Building permit revenue is recognized when billed and all other deferred revenue is reported on the consolidated statement of operations in the year in which it is used for the specified purpose.

(i) Taxation and related revenues

Municipal tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by the Municipal Council, incorporating amounts to be raised for local services. 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.

Assessments and the related municipal taxes are subject to appeal. Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For municipal taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of allowance for anticipated uncollectible amounts.

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.

(j) Government transfers

Government transfers (referred to as "government grants" in these consolidated financial statements) are recognized in the consolidated financial statements as revenues in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. Conditional government grants are recognized to the extent the conditions imposed on them have been fulfilled. Unconditional government grants are recognized when monies are receivable. Government grants for acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulation liabilities are settled.

(k) Revenue recognition

User charges are recognized when the service has been performed. Fees for water usage are recorded as user charges. Connection fee revenues for water are recognized when the connection has been established.

Investment income (other than on obligatory funds) is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances. Revenue from the obligatory reserve funds is recognized in the year in which eligible expenditures are made.

Other revenues are recognized on an accrual basis.

THE CORPORATION OF THE TOWNSHIP OF TINY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT THURSDAY, DECEMBER 31, 2020

1. Summary of significant accounting policies (continued)

(l) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates have been made of historical cost and useful lives of tangible capital assets. Actual results could differ from those estimates.

2. Cash and cash equivalents

Cash and cash equivalents consist of the following:

| | 2020 | 2019 |
|--|------------------|------------------|
| | \$ | \$ |
| Unrestricted | 2,239,419 | 826,056 |
| Internally restricted - reserve funds | 2,515,842 | 2,508,168 |
| Externally restricted - obligatory reserve funds | 2,285,823 | 2,252,295 |
| Externally restricted - construction deposits | 826,412 | 1,035,344 |
| | 7,867,496 | 6,621,863 |

At December 31, 2020, the Municipality had an undrawn, unsecured credit capacity of \$1,500,000 with interest at prime rate less 0.75% (2019 - undrawn credit capacity \$1,500,000 with interest at prime rate less 0.75%).

Internally restricted cash relates to reserve funds set aside for specific purposes by Council (Note 9).

Externally restricted cash - obligatory reserve funds relates to the amount of remaining funds to be spent from federal gas tax, development charges, Building Code Act, infrastructure programs and parkland revenues (Note 4).

3. Long-term receivables

Long-term receivables consist of the following:

| | 2020 | 2019 |
|--------------------|--------|--------|
| | \$ | \$ |
| Water system loans | 42,204 | 51,998 |

Interest on the above loans is 3% (2019 - 3%).

THE CORPORATION OF THE TOWNSHIP OF TINY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT THURSDAY, DECEMBER 31, 2020

4. Deferred revenue - obligatory reserve funds

A requirement of the public sector accounting principles of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation restricts how these funds may be used and under certain circumstances these funds may be refunded.

The net change during the year is as follows:

| | Federal Gas Tax | Development Charges | Building Code Act | Infrastructure Programs | Parkland | 2020 | 2019 |
|--|--------------------|------------------------|----------------------|----------------------------|----------|------------------|-------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Deferred revenue, beginning of year | 382,919 | 256,104 | 1,588,166 | 24,978 | 128 | 2,252,295 | 2,021,539 |
| Restricted funds received during the year | 357,573 | 306,375 | 224,592 | - | 22,500 | 911,040 | 1,311,484 |
| Interest earned | 7,805 | 5,201 | 13,413 | - | 410 | 26,829 | 49,833 |
| Transfer to revenues | (473,156) | (400,657) | (28,040) | - | (2,488) | (904,341) | (1,130,561) |
| Deferred revenue, end of year | 275,141 | 167,023 | 1,798,131 | 24,978 | 20,550 | 2,285,823 | 2,252,295 |

Federal gas tax

The municipal funding agreement with the Association of Municipalities of Ontario requires the Municipality to transfer unspent gas tax funding into a reserve fund. The funding and interest earned in the reserve fund must be spent on approved projects.

Development charges

Certain user charges and fees are collected for which the related expenditures have yet to be spent on infrastructure. Until the funding has been spent on infrastructure it has not been earned and therefore has been deferred.

Building Code Act

These monies represent accumulated surpluses collected under the Building Code Act.

Infrastructure programs

These programs relate to various capital grants that are required to be spent on infrastructure. Until the funding has been spent on infrastructure it has not been earned and therefore has been deferred.

Parkland

These monies are received through subdivision agreements and are to be used for such things as acquisition of land for park or public recreation, including the erection or repair of buildings and the acquisition of machinery for park or other public recreation uses. Monies received from subdividers is in lieu of land being conveyed to the Municipality.

THE CORPORATION OF THE TOWNSHIP OF TINY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT THURSDAY, DECEMBER 31, 2020

5. Budget amounts

The operating budget approved by Council for 2020 is reflected on the consolidated statement of operations. The budgets established for 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 the current year's actual amounts. The budget figures have not been audited.

6. Tangible capital assets

Schedule 1 provides information on the tangible capital assets of the Municipality by major asset class, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(a) Work in progress

Work in progress with a value of \$615,528 (2019 - \$161,253) has not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$NIL (2019 - \$NIL).

(c) Works of art and historical treasures

No works of arts nor historical treasures are held by the Municipality.

7. Long-term liabilities

Long-term liabilities consist of the following:

| | 2020 | 2019 |
|--|--------|--------|
| | \$ | \$ |
| Total long-term liabilities incurred by the Municipality including those incurred on behalf of benefiting landowners and municipal organizations | 25,028 | 25,028 |

Interest is payable at 3.55% per annum (2019 - 3.55%). Interest expense for the year was \$954 (2019 - \$888). The liabilities mature in 2026 (2019 - 2026).

THE CORPORATION OF THE TOWNSHIP OF TINY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT THURSDAY, DECEMBER 31, 2020

8. Pension agreements

The employees of the Municipality participate in the Ontario Municipal Employees Retirement Savings Plan ("OMERS"). Although the plan has a defined retirement benefit for employees, the related obligation of the Municipality cannot be identified. The Municipality has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting. The OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant. The amount contributed to OMERS for 2020 was \$486,836 (2019 - \$457,897) for current service on behalf of 75 (2019 - 72) members of its staff.

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are the joint responsibility of Ontario municipal organizations and their employees. The most recent actuarial valuation of the Plan was conducted at December 31, 2020.

9. Accumulated surplus

The accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

| | 2020 | 2019 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Surplus: | | |
| Invested in tangible capital assets | 68,132,783 | 67,184,232 |
| Unrestricted deficit | (1,295,200) | (806,006) |
| Total surplus | 66,837,583 | 66,378,226 |
| Reserves set aside for specific purposes by Council | 3,504,819 | 3,288,486 |
| Reserve funds set aside for specific purposes by Council (Note 2) | 2,515,842 | 2,508,168 |
| Total accumulated surplus | 72,858,244 | 72,174,880 |

10. Net municipal taxation

Net municipal taxation consists of:

| | 2020 | 2019 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Taxation revenue | 30,524,724 | 29,547,603 |
| Amount levied and remitted to School Boards | (6,660,543) | (6,750,694) |
| Amount levied and remitted to the County of Simcoe | (11,249,100) | (10,991,656) |
| Net municipal taxation | 12,615,081 | 11,805,253 |

THE CORPORATION OF THE TOWNSHIP OF TINY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT THURSDAY, DECEMBER 31, 2020

11. Segmented information

The Municipality is a diversified municipal government institution that provides a wide range of services to its citizens such as police (OPP contract), fire, recreation and library services as well as road, water and sewer infrastructure. Distinguishable functional segments have been separately disclosed in the segmented information. Revenues that are directly related to the costs of the function have been attributed to each segment. Net municipal taxation revenue is allocated to each segment based on the prorated total budget expenses for each department.

The nature of the segments and the activities they encompass are as follows:

(a) General Government

General government is the governance of the Municipality. It is comprised of Council, corporate health and safety, human resources and general administration.

(b) Protection Services

Protection services consists of fire and police (OPP contract) services as well as community safety activities, animal control, bylaw enforcement and building inspection. These services provide safety and protection to the community.

(c) Transportation Services

Transportation services is comprised of revenues and expenses related to the various forms of transportation available to the Municipality. Transportation Services include activities relating to maintaining roads, transit services, parking, streetlights, contributions to the local airport and various harbour activities.

(d) Environmental and Water Services

Environmental and water services consist of the provision of the Municipality's drinking water system and Severn Sound Environmental Association.

(e) Recreational and Cultural Services

Recreational and cultural services consists of parks, sports centre activities, recreation programs and library services. These services are for the health and informational needs of citizens.

(f) Planning and Development

Planning and development is comprised of services including Township planning and Committee of Adjustment.

(g) Health Services

Health services consist of contributions to physician recruitment and Georgian Bay General Hospital Foundation.

THE CORPORATION OF THE TOWNSHIP OF TINY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT THURSDAY, DECEMBER 31, 2020

12. Government partnerships

The following summarizes the financial position and operations of the joint municipal service boards. The Corporation of the Township of Tiny's pro-rata share of these amounts have been reported in the financial statements using the proportionate consolidation method at the proportionate share disclosed in Note 1 (a). The figures provided for SSEA and HAC are from 2019 financial statements for comparability as current year figures are not usually available at the time these consolidated financial statements are completed.

| | Severn Sound Environmental Association (SSEA) | Huronia Airport Commission (HAC) |
|---|---|--|
| | \$ | \$ |
| Financial assets | 224,936 | 115,168 |
| Liabilities | 283,932 | 138,312 |
| Net financial assets (debt) | (58,996) | (23,144) |
| Non-financial assets | 203,692 | 1,037,676 |
| Accumulated surplus | 144,696 | 1,014,532 |
| Invested in tangible capital assets | 200,726 | 909,105 |
| Unrestricted surplus (deficit) | (35,752) | 50,321 |
| Reserve funds | 62,122 | 55,106 |
| Amounts to be recovered in future years | (82,400) | - |
| | 144,696 | 1,014,532 |
| Revenues | 1,133,804 | 359,494 |
| Expenses | 1,001,084 | 375,383 |
| Annual surplus (deficit) | 132,720 | (15,889) |

13. Other revenues

Other revenues consists of the following:

| | 2020 | 2019 |
|--|---------|---------|
| | \$ | \$ |
| Contributions from obligatory reserve funds | 71,799 | 156,666 |
| Sampling & insurance cost recovery | 22,350 | 19,618 |
| Donations, rents, sale of publications, etc. | 116,256 | 173,902 |
| | 210,405 | 350,186 |

THE CORPORATION OF THE TOWNSHIP OF TINY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT THURSDAY, DECEMBER 31, 2020

14. COVID-19

On March 11, 2020 the COVID-19 pandemic was declared by the World Health Organization and thus had a significant impact on the finances and services of the Township. At the time of these consolidated financial statements, the Township of Tiny has undertaken the following in responding to the COVID-19 pandemic:

- Office was closed to the public from March 16th until September 14th, 2020. At the time of the issuance of the financial statements, the Municipal office is open to the public. Many staff continue to work remotely.
- Extended due dates for municipal tax levy as follows:
 - Interim billing from March 28th to June 26th 2020
 - Final billing Installment #1 from June 26th to August 28th 2020
 - Final billing installment #2 from September 25th to October 28th 2020
- Waived municipal tax penalty and interest charges for the interim billing from March 28th until June 28 2020
- Waived municipal tax penalty and interest charges for the interim and final billing for 2021 from March 26 until September 24 2021
- Sale of surplus land did not go ahead as planned in 2020
- Committees/Committees of Council were delayed or did not function at all in 2020
- Students in most departments were not hired in 2020
- Building department services were impacted in the spring but regained activity at normal levels following the reopening of the office to the public in September 2020
- Revenue from Rental facilities was impacted in 2020
- Recreation programs were cancelled or reduced in 2020
- Several events (Fire external training, Family fun day, Parades, Mayor's BBQ and Golf Tournament) were cancelled with some virtual initiatives implemented to replace the cancelled events in 2020 and 2021
- Many services were newly provided online in 2020 to ensure residents could still access services
- Adapted Recreational Programming to ensure residents had safe alternatives to conventional programming. Revenues did decline but programs were implemented to ensure active, engaged municipal services continued in 2020.
- Significant staff time was used for communications and adoption of business practices to ensure resident services continued in 2020
- Significant changes in office and staff work protocols implemented to support government protocols to stop the spread of COVID while ensuring services remained in place in 2020 and 2021

THE CORPORATION OF THE TOWNSHIP OF TINY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT THURSDAY, DECEMBER 31, 2020

14. COVID-19 (continued)

- Facility improvements were put in place to meet regulations and protect staff and the public from potential sources of COVID in 2020 and continued in 2021
- Safe Restart Grant for Municipal Operations received from the Province of Ontario received in the amount of \$616,700 in 2020 and \$518,544 (\$124,000 and \$394,544) in 2021

At this time COVID-19 continues to impact the Township. The extent of the impact, duration and severity on the financial position and operations of the Township is unknown at this time.

15. Contingencies

- (a) In the ordinary course of business, various claims and lawsuits are brought against the Municipality. No provision has been made for pending expropriations of land beyond the payments already made to affected property owners. Any payment made by the Municipality pursuant to claims, lawsuits or expropriations will be charged in the year of settlement.
- (b) The Municipality is potentially liable for certain future benefits costs related to the period of time during which it was a Schedule 2 employer for purposes of Workplace Safety and Insurance Board (WSIB).

THE CORPORATION OF THE TOWNSHIP OF TINY

SCHEDULE 1 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31

| | Land | Land Improvements | Buildings | Information Technology | Equipment | Infrastructure | Vehicles | Work in Progress | 2020 Total | 2019 Total |
|---------------------------------|------------|----------------------|-----------|---------------------------|-----------|----------------|------------|---------------------|--------------------|---------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cost | | | | | | | | | | |
| Balance, beginning of year | 12,646,608 | 3,946,701 | 5,347,039 | 886,489 | 2,385,330 | 115,249,869 | 10,400,545 | 161,253 | 151,023,834 | 145,807,265 |
| Additions | 58,066 | 288,493 | 3,171 | 96,197 | 353,649 | 3,101,842 | 461,800 | 615,528 | 4,978,746 | 9,593,270 |
| Disposals | - | - | - | - | - | (29,296) | - | (161,253) | (190,549) | (4,376,701) |
| Balance, end of year | 12,704,674 | 4,235,194 | 5,350,210 | 982,686 | 2,738,979 | 118,322,415 | 10,862,345 | 615,528 | 155,812,031 | 151,023,834 |
| Accumulated amortization | | | | | | | | | | |
| Balance, beginning of year | - | 1,680,717 | 3,447,757 | 769,193 | 1,780,496 | 69,953,694 | 6,207,745 | - | 83,839,602 | 80,084,266 |
| Amortization | - | 116,847 | 172,790 | 93,513 | 266,987 | 2,595,506 | 615,012 | - | 3,860,655 | 3,755,336 |
| Disposals | - | - | - | - | - | (21,009) | - | - | (21,009) | - |
| Balance, end of year | - | 1,797,564 | 3,620,547 | 862,706 | 2,047,483 | 72,528,191 | 6,822,757 | - | 87,679,248 | 83,839,602 |
| Net book value, end of year | 12,704,674 | 2,437,630 | 1,729,663 | 119,980 | 691,496 | 45,794,224 | 4,039,588 | 615,528 | 68,132,783 | 67,184,232 |

The accompanying notes are an integral part of
these financial statements

THE CORPORATION OF THE TOWNSHIP OF TINY

SCHEDULE 2 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2020

| | General Government | Protection Services | Transportation Services | Environmental and Water Services | Recreational and Cultural Services | Planning and Development | Health Services | Total |
|---|-----------------------|------------------------|----------------------------|--|--|-----------------------------|--------------------|------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenues | | | | | | | | |
| Net municipal taxation | 1,873,089 | 3,638,721 | 3,977,402 | 1,436,708 | 1,352,127 | 289,460 | 47,574 | 12,615,081 |
| User charges | 326,122 | 1,188,655 | 73,270 | 2,233,858 | 69,204 | 53,142 | - | 3,944,251 |
| Government grants | 2,614,384 | 36,388 | - | - | 111,252 | - | - | 2,762,024 |
| Investment | 103,073 | - | - | - | - | - | - | 103,073 |
| Other | 66,157 | 51,971 | 76,737 | 250 | 15,290 | - | - | 210,405 |
| | 4,982,825 | 4,915,735 | 4,127,409 | 3,670,816 | 1,547,873 | 342,602 | 47,574 | 19,634,834 |
| Expenses | | | | | | | | |
| Salaries, wages and employee benefits | 1,826,625 | 1,915,461 | 2,181,958 | 832,158 | 1,138,516 | 303,409 | - | 8,198,127 |
| Goods and services | 976,258 | 3,221,019 | 1,598,720 | 1,056,198 | 350,510 | 157,014 | - | 7,359,719 |
| Other | 40,230 | 311,240 | 43,038 | 4,689 | 255,926 | 7 | 76,000 | 731,130 |
| Amortization | 149,178 | 365,198 | 2,530,252 | 398,946 | 415,094 | 1,987 | - | 3,860,655 |
| | 2,992,291 | 5,812,918 | 6,353,968 | 2,291,991 | 2,160,046 | 462,417 | 76,000 | 20,149,631 |
| Net revenues (expenses) | 1,990,534 | (897,183) | (2,226,559) | 1,378,825 | (612,173) | (119,815) | (28,426) | (514,797) |
| Other | | | | | | | | |
| Grants and transfers related to capital | | | | | | | | |
| Government grants | - | - | 300,951 | - | 60,000 | - | - | 360,951 |
| Contributions from obligatory reserve funds | 700 | 28,040 | 766,314 | - | 2,488 | 35,000 | - | 832,542 |
| Gain on disposal of tangible capital assets | - | 4,668 | - | - | - | - | - | 4,668 |
| | 700 | 32,708 | 1,067,265 | - | 62,488 | 35,000 | - | 1,198,161 |
| Annual surplus (deficit) | 1,991,234 | (864,475) | (1,159,294) | 1,378,825 | (549,685) | (84,815) | (28,426) | 683,364 |

The accompanying notes are an integral part of
these financial statements

THE CORPORATION OF THE TOWNSHIP OF TINY

SCHEDULE 3 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2019

| | General Government | Protection Services | Transportation Services | Environmental and Water Services | Recreational and Cultural Services | Planning and Development | Health Services | Total |
|--|-----------------------|------------------------|----------------------------|--|--|-----------------------------|--------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenues | | | | | | | | |
| Net municipal taxation | 1,610,798 | 3,483,733 | 3,615,751 | 1,238,005 | 1,559,952 | 278,010 | 19,004 | 11,805,253 |
| User charges | 400,066 | 1,195,909 | 52,142 | 2,226,934 | 206,698 | 83,236 | - | 4,164,985 |
| Government grants | 1,823,413 | 24,011 | 8,000 | - | 82,510 | - | - | 1,937,934 |
| Investment | 185,259 | - | - | - | - | - | - | 185,259 |
| Other | 111,518 | 76,133 | 33,840 | 273 | 128,422 | - | - | 350,186 |
| | 4,131,054 | 4,779,786 | 3,709,733 | 3,465,212 | 1,977,582 | 361,246 | 19,004 | 18,443,617 |
| Expenses | | | | | | | | |
| Salaries, wages and employee benefits | 1,616,160 | 1,827,693 | 2,094,003 | 711,344 | 1,293,194 | 289,770 | - | 7,832,164 |
| Goods and services | 862,248 | 3,225,170 | 1,396,120 | 964,007 | 556,253 | 170,324 | - | 7,174,122 |
| Other | 64,930 | 357,154 | 30,134 | 10,200 | 319,218 | 468 | 31,500 | 813,604 |
| Amortization | 134,171 | 364,410 | 2,472,995 | 366,492 | 417,017 | 250 | - | 3,755,335 |
| | 2,677,509 | 5,774,427 | 5,993,252 | 2,052,043 | 2,585,682 | 460,812 | 31,500 | 19,575,225 |
| Net revenues (expenses) | 1,453,545 | (994,641) | (2,283,519) | 1,413,169 | (608,100) | (99,566) | (12,496) | (1,131,608) |
| Other | | | | | | | | |
| Grants and transfers related to capital | | | | | | | | |
| Government grants | - | 234,008 | 682,675 | - | 153,108 | - | - | 1,069,791 |
| Contributions from obligatory reserve funds | - | - | 828,978 | - | 144,917 | - | - | 973,895 |
| Donations | 170,000 | - | - | - | - | - | - | 170,000 |
| Gain (loss) on disposal of tangible capital assets | 272,553 | 6,000 | (48,472) | 3,000 | 2,700 | - | - | 235,781 |
| | 442,553 | 240,008 | 1,463,181 | 3,000 | 300,725 | - | - | 2,449,467 |
| Annual surplus (deficit) | 1,896,098 | (754,633) | (820,338) | 1,416,169 | (307,375) | (99,566) | (12,496) | 1,317,859 |

The accompanying notes are an integral part of these financial statements