

THE CORPORATION OF THE TOWNSHIP OF ZORRA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

-1-	Independent Auditor's Report
-3-	Consolidated Statement of Financial Position
-4-	Consolidated Statement of Operations and Accumulated Surplus
-5-	Consolidated Statement of Cash Flows
-6-	Consolidated Statement of Changes in Net Financial Assets (Liabilities)
-7- to -15-	Notes to the Consolidated Financial Statements
-16-	Schedule 1 - Schedule of Consolidated Tangible Capital Assets
-17-	Schedule 2 - Schedule of Consolidated Segmented Information

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Zorra

Opinion

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Zorra (the "Township"), which comprise the Consolidated Statement of Financial Position as at December 31, 2019, and Consolidated Statements of Operations and Accumulated Surplus, Cash Flows and Change in Net Financial Assets (Liabilities) 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 financial position of the Corporation of the Township of Zorra as at December 31, 2019 and its financial performance and its cash flows and changes in net financial assets (liabilities) for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Opinion

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

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

Management is responsible for the preparation and fair presentation of 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 Township'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 Township or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If 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 Township 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.

June 3, 2020
London, Canada

Scrimgeour & Company
LICENSED PUBLIC ACCOUNTANT

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019**

	2019	2018
FINANCIAL ASSETS		
Cash	\$ 5,609,656	\$ 3,893,973
Taxes receivable	1,020,683	953,224
Drains receivable	541,647	498,820
Accounts receivable	585,575	423,432
Inventories for resale	3,100	3,100
Land held for resale (note 14)	6,165,577	-
Investment in EARTH Corporation (note 9)	2,290,562	1,869,112
	16,216,800	7,641,661
LIABILITIES		
Temporary capital financing (note 14)	5,960,000	-
Accounts payable and accrued liabilities	2,040,701	872,023
Deferred revenue (note 6)	254,717	347,375
Net long-term liabilities (note 7)	5,526,439	6,247,407
	13,781,857	7,466,805
NET FINANCIAL ASSETS	2,434,943	174,856
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	29,472,417	29,745,317
Capital work in progress	1,825,625	318,618
Prepaid supplies and inventory	679,755	701,394
	31,977,797	30,765,329
ACCUMULATED SURPLUS (note 8)	\$ 34,412,740	\$ 30,940,185

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

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BUDGET 2019	ACTUAL 2019	ACTUAL 2018
REVENUE			
Property taxation	\$ 8,292,786	\$ 8,346,684	\$ 7,858,337
User charges	1,131,681	1,021,923	905,839
Government grants	1,275,015	2,036,108	1,272,826
Investment income	139,500	240,958	209,294
Penalty and interest on taxes	145,000	148,845	142,964
Other revenue	46,000	43,520	385,839
	11,029,982	11,838,038	10,775,099
EXPENDITURES			
General government	1,273,499	1,051,626	1,008,628
Protection to persons and property	2,902,182	2,353,022	2,395,835
Transportation services	5,223,892	4,255,246	3,760,312
Environmental services	6,300	12,128	10,574
Health services	97,501	146,995	113,324
Recreation and cultural development	1,702,688	1,480,926	1,436,143
Planning and development	116,038	112,192	366,722
	11,322,100	9,412,135	9,091,538
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER			
	(292,118)	2,425,903	1,683,561
OTHER			
Government transfers related to capital	92,604	93,152	208,740
Increase in investment in EARTH Corporation (note 9)	-	421,450	38,170
Gain (loss) on disposal of capital assets	-	(216,435)	62,292
Developer and other contributions related to capital	527,905	748,485	463,851
	620,509	1,046,652	773,053
EXCESS OF REVENUE OVER EXPENDITURES			
	328,391	3,472,555	2,456,614
ACCUMULATED SURPLUS, BEGINNING OF YEAR			
	30,940,185	30,940,185	28,483,571
ACCUMULATED SURPLUS, END OF YEAR			
	\$ 31,268,576	\$ 34,412,740	\$ 30,940,185

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

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Excess of revenue over expenditures (page 4)	\$ 3,472,555	\$ 2,456,614
Non-cash charges to operations		
Amortization	1,314,844	1,275,342
Net disposal of tangible capital assets	329,764	61,809
(Increase) decrease in investment in EARTH Corporation	(421,450)	(38,170)
Net change in working capital other than cash (A)	803,591	106,645
	5,499,304	3,862,240
INVESTING ACTIVITIES		
Acquisition of tangible capital assets	(1,371,708)	(2,989,235)
Decrease (increase) in capital work in progress	(1,507,007)	211,241
Acquisition of land held for resale	(6,165,577)	-
Decrease (increase) in prepaid supplies	21,639	(97,797)
	(9,022,653)	(2,875,791)
FINANCING ACTIVITIES		
Temporary capital financing	5,960,000	-
Net change in long-term debt	(720,968)	(530,985)
	5,239,032	(530,985)
Net change in cash and cash equivalents during the year	1,715,683	455,464
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,893,973	3,438,509
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 5,609,656	\$ 3,893,973

(A) Net change in working capital other than cash includes the net change in taxes receivable, drains receivable, accounts receivable, accounts payable and accrued liabilities and deferred revenue.

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

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (LIABILITIES)
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018
Excess of revenue over expenditures (page 4)	\$ 3,472,555	\$ 2,456,614
Amortization of tangible capital assets	1,314,844	1,275,342
Investment in capital works in progress	(1,507,007)	211,241
Change in prepaid supplies	21,639	(97,797)
Net disposal of tangible capital assets	329,764	61,809
Acquisition of tangible capital assets	(1,371,708)	(2,989,235)
Increase in net financial assets	2,260,087	917,974
NET FINANCIAL ASSETS (LIABILITIES), BEGINNING OF YEAR	174,856	(743,118)
NET FINANCIAL ASSETS, END OF YEAR	\$ 2,434,943	\$ 174,856

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

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

The Township of Zorra (the Township) is a Township in the 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.

1. Significant Accounting Policies

The consolidated financial statements of the Township are prepared by management in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Township are as follows:

a. Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, operating revenue and expenditures, and accumulated surpluses and changes in investment in tangible capital assets of the Township.

These consolidated financial statements include the activities of all other committees of Council including the Zorra Recreation Advisory Committee and the Village of Embro Cemetery Board.

The investment in a government business enterprise, ERTH Corporation (ERTH), is accounted for using the modified equity basis of accounting. Under this method, the government business enterprise's accounting policies, which follow International Financial Reporting Standards (IFRS) as modified by regulations and policies set forth in the Ontario Energy Board Accounting Procedures Handbook, are not adjusted to conform with Canadian public sector accounting standards and inter-entity transactions and balances are not eliminated.

b. Accrual accounting

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

c. Accounting for County and School Board transactions

The Township is required to bill, collect and remit provincial education and upper tier taxation in respect of residential and other properties on behalf of the School Boards and County of Oxford. The Township has no jurisdiction or control over the School Board or upper tier's operations or their tax rate. The taxation, other revenue, expenditures, assets and liabilities, with respect to the operations of the School Boards, and the County of Oxford are not reflected in these consolidated financial statements.

d. Trust fund

The Corporation of the Township of Zorra Trust Fund (the Trust) and its related operations administered by the Township are not consolidated but are reported separately on the Trust's Statements of Financial Position and Operations.

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

1. 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 have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenditures, provides the consolidated change in financial assets for the year.

The Township's non-financial assets consist of 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 cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	15 to 30 years
Buildings and fixtures	40 years
Machinery and equipment	10 to 20 years
Automotive	5 to 20 years
Infrastructure - Bridges	60 years
Infrastructure - Roads	10 to 20 years
Infrastructure - Other	25 to 30 years

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

f. Revenue recognition

Government grants and transfers are recognized in the consolidated financial statements as revenue in the period in which 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 determined.

g. Deferred revenue

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

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

1. Significant accounting policies continued

h. Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

i. Leases

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

j. Financial instruments

Financial instruments of the Township consist mainly of cash, short-term investments, accounts receivable and taxes receivable. The carrying values of these financial assets approximate their fair values unless otherwise disclosed.

k. Prepaid supplies and inventory

Inventory of supplies for consumption are valued at the lower of cost or replacement cost. Gravel inventory is determined per tonne and includes raw material, extraction and crushing costs.

2. Tax revenue

Property tax billings are prepared by the Township based on an assessment roll prepared by the Municipal Property Assessment Corporation. All assessed property values in the Township were reviewed and new values established based on a common valuation date which was used by the Township in computing the 2019 property tax bills. Property tax revenue and tax receivables are subject to appeals which may not have been heard yet. Any supplementary billing adjustments made necessary by the determination of such appeals, will be recognized in the fiscal year they are determined and the effect shared with the County of Oxford and the appropriate school boards.

3. Trust fund

Trust fund administered by the Township amounting to \$117,873 (2018 - \$115,573) has not been included in the consolidated financial statements.

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

4. Operations of School Boards and the County of Oxford

Further to note 1.c, the taxation revenues of the school boards and County of Oxford are comprised of the following:

	School Boards	County
Taxation and user charges	\$ 3,835,137	\$ 6,421,994
Requisitions	\$ 3,835,137	\$ 6,421,994

5. Pension agreements

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2019 was \$202,358 (2018 - \$202,727) for current service and is included as an expenditure on the Consolidated Statement of Operations. The Township has no obligation, as at December 31, 2019, under the past service provisions. The OMERS funding ratio for 2019 is 97% (2018 - 96%), with the goal of being fully funded by 2025.

6. Deferred revenue - obligatory reserve funds

A requirement of the Canadian public sector accounting standards is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized as follows:

	2019	2018
Development charges	\$ (82,449)	\$ 17,505
Federal gas tax	147,138	160,188
Recreational land	40,713	42,174
Other	149,315	127,508
	\$ 254,717	\$ 347,375

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019**

7. Long-term liabilities

	2019	2018
a. The balance of long-term liabilities reported on the Consolidated Statement of Financial Position is made up of the following: Total long-term liabilities incurred by the Township including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to	\$ 5,663,879	\$ 6,475,458
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for tile drain loans has been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is	(137,440)	(228,051)
Net long-term liabilities, end of the year	\$ 5,526,439	\$ 6,247,407

b. Debt to be retired over the next five years will be recovered from general taxation and user charges and is as follows:

2020	704,786
2021	709,655
2022	713,876
2023	656,322
2024	648,887

c. Approval of the Ontario Municipal Board has been obtained for those pending issues of long-term liabilities and commitments to be financed by revenue beyond the term of Council and approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law. The principal and interest payments required to service these pending issues and commitments are within the debt repayment limit prescribed by the Ministry of Municipal Affairs.

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

7. Long-term liabilities continued

- d. The Township is contingently liable for long-term liabilities with respect to tile drainage loans, and for those for which the principal and interest have been assumed by other municipalities, school board and unconsolidated local boards, municipal enterprises, and utilities. The total amount outstanding as at December 31, 2019 is \$137,440 (2018 - \$228,051) and is not recorded on the Consolidated Statement of Financial Position.
- e. Interest paid on long-term liabilities for the year ending December 31, 2019 is \$248,346 (2018 - \$274,647).

8. Accumulated surplus

The accumulated surplus on the Consolidated Statement of Financial Position at the end of the year is comprised of the following:

	2019	2018
Investment in tangible capital assets	\$ 26,496,210	\$ 24,370,850
Current surplus - cemetery	19,283	10,662
Reserves set aside for specific purpose		
- for working capital	541,209	541,209
- for general purposes	1,807,604	1,935,171
- for capital replacement	2,909,381	2,087,538
- for tax rate stabilization	308,812	85,964
- for insurance	39,679	39,679
Total reserves	5,606,685	4,689,561
Investment in government business enterprise (note 9)	2,290,562	1,869,112
ACCUMULATED SURPLUS	\$ 34,412,740	\$ 30,940,185

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

9. Investment in ERTH Corporation

As at December 31, 2019, the Township owns 6.98% (2018 - 6.98%) of ERTH and is comprised of the following:

	2019	2018
Promissory note receivable	\$ 815,000	\$ 815,000
Equity	1,475,562	1,054,112
	\$ 2,290,562	\$ 1,869,112

The promissory note receivable from ERTH is unsecured and bears interest at 7.25% (2018 - 7.25%). The term of the note is undefined but no principal repayments are expected within the next twelve months. Interest received in the year and included in other income is \$59,088 (2018 - \$59,088)

As a business enterprise of the Township, it is accounted for on a Modified Equity basis in these consolidated financial statements and the investment is shown at the Township's proportionate share of the equity of ERTH. The following table provides condensed supplementary financial information for the ERTH for the years ended December 31, 2019 and 2018 from their audited financial statements which are prepared in accordance with International Financial Reporting Standards.

	2019	2018
Financial Position		
Total net assets	\$ 27,279,111	\$ 15,102,925
Results of Operations		
Total revenue	\$ 95,897,601	\$ 86,425,738
Total operating and other expenditures	93,496,769	84,953,862
Total net income	\$ 2,400,832	\$ 1,471,876

ERTH Corporation declared a dividend of \$600,000 in 2019 (2018 - \$925,000) of which the Township's share is \$32,455 (2018 - \$64,561).

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

10. Budget figures

The Township's Council completes separate budget reviews for its operating and capital budgets each year. The approved operating budget for 2019 is reflected on the Consolidated Statement of Operations and Accumulated Surplus.

11. Public sector salary disclosure

There were four employees paid a salary, as defined in the Public Sector Disclosure Act, 1996 of \$100,000 or more.

12. Contaminated sites

The Canadian public sector accounting standard 3510 requires municipalities to evaluate sites owned by the municipality for potential contamination. This standard requires the municipality to disclose the liability, if any, related to remediation of such sites. The Township is of the opinion they do not own such sites and therefore, no liability exists.

13. Segmented information

Segmented information is presented on Schedule 2. The Township is a diversified municipality and provides a wide range of services to its citizens including police through contracted services, fire, protective services, transportation, environmental, including water, wastewater, waste disposal, and storm management joint projects with the County of Oxford, community services, including recreation, library and planning, including economic development and municipal drains. The general government segment includes such functions as finance and information services, council and administrative offices.

14. Significant event

During the year ended December 31, 2019, the Township purchased a 121 acre parcel of land for total costs as of December 31, 2019 of \$6,165,577. The parcel of land is reflected on the Statement of Financial Position as land held for resale. The Township has agreed to sell 112 acres of this land to a development company for \$6,350,001 which is anticipated to close in July 2020. In addition, the Township has agreed to sell another two parcels of land and building to another local development company for \$539,500 which closed in March 2020. The Township will retain approximately one acre, which includes structures.

The Township entered into a temporary borrowing agreement with the County of Oxford to finance this project of \$5,960,000. The original agreement has been extended to July 2020 when the entire amount is due with interest at 2.18% per annum. The Township has signed a letter of security with their financial institution for \$500,000 relating to this temporary financing.

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

15. Subsequent event

In March 2020, the Province of Ontario declared a state of emergency in response to the COVID-19 virus. The Township has followed the Provincial directions regarding essential services and as a result has had to close some of its services. It is unclear the total financial impact the COVID-19 virus will have on the Township. Council and staff continue to monitor the situation.

THE CORPORATION OF THE TOWNSHIP OF ZORRA
SCHEDULE OF CONSOLIDATED TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Land	Land Improvements	Buildings and Fixtures	Machinery and Equipment	Automotive	Infrastructure	2019 Total	2018 Total
COST								
Balance, beginning of year	\$ 1,940,198	\$ 1,387,185	\$ 7,725,311	\$ 4,768,029	\$ 3,947,016	\$ 26,220,494	\$ 45,988,233	\$ 43,391,196
Add:								
Additions during the year	-	122,791	80,800	100,710	375,611	691,796	1,371,708	2,989,235
Less:								
Disposals during the year	-	-	-	(16,425)	-	(435,383)	(451,808)	(392,198)
Balance, end of year	1,940,198	1,509,976	7,806,111	4,852,314	4,322,627	26,476,907	46,908,133	45,988,233
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	387,405	3,537,916	2,256,488	2,207,877	7,853,230	16,242,916	15,297,963
Add:								
Amortization during the year	-	65,285	167,534	258,111	236,194	587,720	1,314,844	1,275,342
Less:								
Disposals during the year	-	-	-	(8,924)	-	(113,120)	(122,044)	(330,389)
Balance, end of year	-	452,690	3,705,450	2,505,675	2,444,071	8,327,830	17,435,716	16,242,916
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS								
	\$ 1,940,198	\$ 1,057,286	\$ 4,100,661	\$ 2,346,639	\$ 1,878,556	\$ 18,149,077	\$ 29,472,417	\$ 29,745,317

This schedule is provided for information purposes only.

THE CORPORATION OF THE TOWNSHIP OF ZORRA
SCHEDULE OF CONSOLIDATED SEGMENTED INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Government	Protective Services	Transportation	Environmental	Health	Recreation and Culture	Planning and Agriculture	Total
REVENUE								
Taxation	\$ 8,346,684	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,346,684
User fees	52,014	247,490	14,223	20,869	27,057	582,917	77,353	1,021,923
Government grants-								
operating	1,371,246	15,325	613,124	-	-	3,500	32,913	2,036,108
Investment income	221,258	-	-	-	-	(843)	20,543	240,958
Penalty and interest on taxes	148,845	-	-	-	-	-	-	148,845
Other	-	-	-	-	43,500	20	-	43,520
	10,140,047	262,815	627,347	20,869	70,557	585,594	130,809	11,838,038
EXPENDITURES								
Salaries and benefits	737,701	544,735	1,134,817	2,580	74,993	653,491	46,606	3,194,923
Materials, goods and services	302,032	1,649,651	2,187,741	9,548	72,002	615,808	65,586	4,902,368
Amortization	11,893	158,636	932,688	-	-	211,627	-	1,314,844
	1,051,626	2,353,022	4,255,246	12,128	146,995	1,480,926	112,192	9,412,135
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER	9,088,421	(2,090,207)	(3,627,899)	8,741	(76,438)	(895,332)	18,617	2,425,903
OTHER								
Government transfers related to capital	-	-	93,152	-	-	-	-	93,152
Increase in investment in EARTH Corporation	421,450	-	-	-	-	-	-	421,450
Gain (loss) on disposal	-	-	(208,934)	-	-	-	(7,501)	(216,435)
Developer contributions related to capital	-	-	527,905	-	-	199,721	20,859	748,485
	421,450	-	412,123	-	-	199,721	13,358	1,046,652
EXCESS OF REVENUE OVER EXPENDITURES	\$ 9,509,871	\$ (2,090,207)	\$ (3,215,776)	\$ 8,741	\$ (76,438)	\$ (695,611)	\$ 31,975	\$ 3,472,555

This schedule is provided for information purposes only.