

THE CORPORATION OF THE TOWNSHIP OF ZORRA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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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, 2020, and Consolidated Statements of Operations and Accumulated Surplus, Cash Flows and Change in Net Financial Assets 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, 2020 and its financial performance and its cash flows and change in net financial assets 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 16, 2021
London, Canada

Scrimgeour & Company
LICENSED PUBLIC ACCOUNTANT

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020**

	2020	2019
FINANCIAL ASSETS		
Cash	\$ 4,682,950	\$ 5,609,656
Taxes receivable	1,002,855	1,020,683
Drains receivable	580,351	541,647
Accounts receivable	574,866	585,575
Inventories for resale	3,100	3,100
Land held for resale (note 14)	4,056,366	6,165,577
Investment in EARTH Corporation (note 9)	2,421,781	2,290,562
	13,322,269	16,216,800
LIABILITIES		
Temporary capital financing (note 15)	2,106,777	5,960,000
Accounts payable and accrued liabilities	1,158,927	2,040,701
Deferred revenue (note 6)	490,519	254,717
Net long-term liabilities (note 7)	4,846,770	5,526,439
	8,602,993	13,781,857
NET FINANCIAL ASSETS	4,719,276	2,434,943
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	33,846,445	29,472,417
Capital work in progress (note 17)	350,760	1,825,625
Prepaid supplies and inventory	917,417	679,755
	35,114,622	31,977,797
ACCUMULATED SURPLUS (note 8)	\$ 39,833,898	\$ 34,412,740

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, 2020**

	BUDGET 2020	ACTUAL 2020	ACTUAL 2019
REVENUE			
Property taxation	\$ 8,768,929	\$ 8,774,036	\$ 8,346,684
User charges	934,046	982,432	1,021,923
Government grants (note 16)	1,539,575	1,658,874	2,036,108
Investment income	144,232	180,884	240,958
Penalty and interest on taxes	145,000	127,762	148,845
Other revenue	42,000	56,179	43,520
	11,573,782	11,780,167	11,838,038
EXPENDITURES			
General government	1,293,520	1,071,493	1,051,626
Protection to persons and property	2,318,638	2,409,770	2,352,130
Transportation services	6,777,262	3,866,005	4,255,246
Environmental services	6,300	13,417	12,128
Health services	130,765	124,184	146,995
Recreation and cultural development	1,972,775	1,553,750	1,481,818
Planning and development	117,454	139,874	112,192
	12,616,714	9,178,493	9,412,135
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER	(1,042,932)	2,601,674	2,425,903
OTHER REVENUE (EXPENDITURES)			
Government transfers related to capital	1,292,018	939,824	93,152
Increase in investment in EARTH Corporation (note 9)	-	131,219	421,450
Gain (loss) on disposal of capital assets	-	485,428	(216,435)
Developer and other contributions related to capital	336,652	1,263,013	748,485
	1,628,670	2,819,484	1,046,652
EXCESS OF REVENUE OVER EXPENDITURES	585,738	5,421,158	3,472,555
ACCUMULATED SURPLUS, BEGINNING OF YEAR	34,412,740	34,412,740	30,940,185
ACCUMULATED SURPLUS, END OF YEAR	\$ 34,998,478	\$ 39,833,898	\$ 34,412,740

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, 2020**

	2020	2019
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Excess of revenue over expenditures (page 4)	\$ 5,421,158	\$ 3,472,555
Non-cash charges to operations		
Amortization	1,330,376	1,314,844
Net disposal of tangible capital assets	90,930	329,764
(Increase) decrease in investment in EARTH Corporation	(131,219)	(421,450)
Net change in working capital other than cash (A)	(656,139)	803,591
	6,055,106	5,499,304
INVESTING ACTIVITIES		
Acquisition of tangible capital assets	(5,795,334)	(1,371,708)
Decrease (increase) in capital work in progress	1,474,865	(1,507,007)
Acquisition (disposal) of land held for resale	2,109,211	(6,165,577)
Decrease (increase) in prepaid supplies	(237,662)	21,639
	(2,448,920)	(9,022,653)
FINANCING ACTIVITIES		
Temporary capital financing advance (repayment)	(3,853,223)	5,960,000
Net change in long-term debt	(679,669)	(720,968)
	(4,532,892)	5,239,032
Net change in cash and cash equivalents during the year	(926,706)	1,715,683
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,609,656	3,893,973
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,682,950	\$ 5,609,656

(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 CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
Excess of revenue over expenditures (page 4)	\$ 5,421,158	\$ 3,472,555
Amortization of tangible capital assets	1,330,376	1,314,844
Investment in capital works in progress	1,474,865	(1,507,007)
Change in prepaid supplies	(237,662)	21,639
Net disposal of tangible capital assets	90,930	329,764
Acquisition of tangible capital assets	(5,795,334)	(1,371,708)
Increase in net financial assets	2,284,333	2,260,087
NET FINANCIAL ASSETS, BEGINNING OF YEAR	2,434,943	174,856
NET FINANCIAL ASSETS, END OF YEAR	\$ 4,719,276	\$ 2,434,943

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, 2020**

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. Revenue recognition

Revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. 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.

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, 2020**

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. 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, 2020**

1. Significant accounting policies continued

g. 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.

h. 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.

i. 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.

j. 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 2020 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 \$122,151 (2019 - \$117,873) 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, 2020**

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	\$ 3,911,794	\$ 6,795,185
Requisitions	\$ 3,911,794	\$ 6,795,185

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 2020 was \$213,837 (2019 - \$202,358) for current service and is included as an expenditure on the Consolidated Statement of Operations. The Township has no obligation, as at December 31, 2020, under the past service provisions. The OMERS funding ratio for 2020 is 97% (2019 - 97%), 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:

	2020	2019
Development charges	\$ 75,036	\$ (82,449)
Federal gas tax	151,303	147,138
Recreational land	48,213	40,713
Other	215,967	149,315
	\$ 490,519	\$ 254,717

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

7. Long-term liabilities

	2020	2019
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	\$ 4,928,047	\$ 5,663,879
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	(81,277)	(137,440)
Net long-term liabilities, end of the year	\$ 4,846,770	\$ 5,526,439

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

2021	\$ 714,941
2022	\$ 719,327
2023	\$ 661,942
2024	\$ 654,683
2025	\$ 541,193

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, 2020**

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, 2020 is \$81,277 (2019 - \$137,440) and is not recorded on the Consolidated Statement of Financial Position.

e. Interest paid on long-term liabilities for the year ending December 31, 2020 is \$220,930 (2019 - \$248,686).

8. Accumulated surplus

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

	2020	2019
Investment in tangible capital assets	\$ 30,272,289	\$ 26,326,210
Current surplus - cemetery	20,200	19,283
Reserves set aside for specific purpose		
- for working capital	541,209	541,209
- for general purposes	2,513,891	1,977,604
- for capital replacement	3,402,305	2,909,381
- for tax rate stabilization	622,544	308,812
- for insurance	39,679	39,679
Total reserves	7,119,628	5,776,685
Investment in government business enterprise (note 9)	2,421,781	2,290,562
ACCUMULATED SURPLUS	\$ 39,833,898	\$ 34,412,740

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

9. Investment in EARTH Corporation

As at December 31, 2020, the Township owns 5.41% (2019 - 6.98%) of EARTH and is comprised of the following:

	2020	2019
Promissory note receivable	\$ 815,000	\$ 815,000
Equity	1,606,781	1,475,562
	\$ 2,421,781	\$ 2,290,562

The promissory note receivable from EARTH is unsecured and bears interest at 7.25% (2019 - 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 (2019 - \$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 EARTH. The following table provides condensed supplementary financial information for the EARTH for the years ended December 31, 2020 and 2019 from their audited financial statements which are prepared in accordance with International Financial Reporting Standards.

	2020	2019
Financial Position		
Total net assets	\$ 29,704,994	\$ 27,279,111
Results of Operations		
Total revenue	\$ 99,075,397	\$ 95,897,601
Total operating and other expenditures	96,129,514	93,496,769
Total comprehensive income	\$ 2,945,883	\$ 2,400,832

EARTH Corporation declared a dividend of \$520,000 in 2020 (2019 - \$600,000) of which the Township's share is \$28,127 (2019 - \$32,455).

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

10. Budget figures

The Township's Council completes separate budget reviews for its operating and capital budgets each year. The approved operating budget for 2020 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. Land held for resale

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. Two parcels of this land were sold during the year ended December 31, 2020. In addition, an additional agreement to sell 112 acres to another developer, including buildings for \$6,350,001, was signed in 2019 with closing dates from September 2020 to 2022. \$2,000,000 of this sale agreement closed during the year ended December 31, 2020. The remaining parcels of land, as of December 31, 2020 of \$4,056,366, including additional costs in 2020, are reflected on the Statement of Financial Position as land held for resale. The Township will retain approximately one acre, which includes structures.

**THE CORPORATION OF THE TOWNSHIP OF ZORRA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

15. Temporary capital financing

In 2019, the Township entered into a temporary borrowing agreement with the County of Oxford to finance the land held for resale of \$5,960,000. During 2020, \$3,960,000 was repaid. The original agreement has been extended to January 31, 2022, when the remaining amount is due with interest at 2.18% per annum. \$106,777 of interest has been accrued to December 31, 2020, leaving a balance owing at December 31, 2020 of \$2,106,777. The Township has signed a letter of security with their financial institution for \$500,000 relating to this temporary financing.

16. Significant 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. During the year, the Township recognized revenue under the Safe Restart Provincial program of \$207,200. Council and staff continue to monitor the situation.

17. Commitment

The Township has committed to the construction of a maintenance facility, which is estimated to cost \$10,084,600. As of December 31, 2020, \$297,525 has been spent and is included in capital work in progress on the Consolidated Statement of Financial Position. This project will be funded by reserves and debenture financing.

THE CORPORATION OF THE TOWNSHIP OF ZORRA
 SCHEDULE OF CONSOLIDATED TANGIBLE CAPITAL ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Land	Land Improvements	Buildings and Fixtures	Machinery and Equipment	Automotive Infrastructure	2020 Total	2019 Total
COST							
Balance, beginning of year	\$ 1,940,198	\$ 1,509,976	\$ 7,806,111	\$ 4,852,314	\$ 4,322,627	\$ 46,908,133	\$ 45,988,233
Add:							
Additions during the year	38,690	254,737	215,155	232,183	765,935	5,795,334	1,371,708
Less:							
Disposals during the year	-	(18,692)	-	(154,491)	(159,496)	(748,325)	(451,808)
Balance, end of year	1,978,888	1,746,021	8,021,266	4,930,006	4,929,066	51,955,142	46,908,133
ACCUMULATED AMORTIZATION							
Balance, beginning of year	-	452,690	3,705,450	2,505,675	2,444,071	17,435,716	16,242,916
Add:							
Amortization during the year	-	60,773	146,237	251,196	277,903	1,330,376	1,314,844
Less:							
Disposals during the year	-	(18,692)	-	(122,169)	(159,395)	(657,395)	(122,044)
Balance, end of year	-	494,771	3,851,687	2,634,702	2,562,579	18,108,697	17,435,716
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS							
	\$ 1,978,888	\$ 1,251,250	\$ 4,169,579	\$ 2,295,304	\$ 2,366,487	\$ 33,846,445	\$ 29,472,417

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, 2020

	General Government	Protective Services	Transportation	Environmental	Health	Recreation and Culture	Planning and Agriculture	Total
REVENUE								
Taxation	\$ 8,774,036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,774,036
User fees	132,117	286,428	13,139	22,053	23,910	428,821	75,964	982,432
Government grants operating	958,500	50	612,373	-	-	58,310	29,641	1,658,874
Investment income	164,611	-	-	-	-	(855)	17,128	180,884
Penalty and interest on taxes	127,762	-	-	-	-	-	-	127,762
Other	-	9,550	-	-	29,756	16,873	-	56,179
	10,157,026	296,028	625,512	22,053	53,666	503,149	122,733	11,780,167
EXPENDITURES								
Salaries and benefits	773,955	596,258	1,128,294	3,191	53,757	719,281	48,969	3,323,705
Materials, goods and services	286,045	1,653,535	1,772,063	10,226	70,427	641,211	90,905	4,524,412
Amortization	11,493	159,977	965,648	-	-	193,258	-	1,330,376
	1,071,493	2,409,770	3,866,005	13,417	124,184	1,553,750	139,874	9,178,493
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) BEFORE OTHER	9,085,533	(2,113,742)	(3,240,493)	8,636	(70,518)	(1,050,601)	(17,141)	2,601,674
OTHER								
Government transfers related to capital	-	-	939,824	-	-	-	-	939,824
Increase in investment in EARTH Corporation	131,219	-	-	-	-	-	-	131,219
Gain (loss) on disposal	170,507	-	327,431	-	-	(12,510)	-	485,428
Developer contributions related to capital	-	-	1,212,381	-	-	50,632	-	1,263,013
	301,726	-	2,479,636	-	-	38,122	-	2,819,484
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	\$ 9,387,259	\$ (2,113,742)	\$ (760,857)	\$ 8,636	\$ (70,518)	\$ (1,012,479)	\$ (17,141)	\$ 5,421,158

This schedule is provided for information purposes only.