

Corporation of the Township of North Dundas Financial Statements

For the year ended December 31, 2021

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Management's Responsibility for the Financial Statements

The accompanying financial statements are prepared in accordance with Canadian public sector accounting standards.

The financial statements are the responsibility of management and have been approved by the municipal council.

To assess certain facts and operations, management has made estimates based on its best judgement of the situation and by taking into account materiality.


Management is responsible for maintaining appropriate internal control and accounting systems that provide reasonable assurance that the Township's policies are adopted, that its operations are carried out in accordance with the appropriate laws and authorizations, that its assets are adequately safeguarded, and that the financial statements are based on reliable accounting records.

The Township's power and responsibilities are exercised by the municipal council.

The responsibilities of the municipal council include overseeing financial reporting and presentation procedures, which includes reviewing and approving the financial statements.

The independent auditor, BDO Canada LLP, has audited the financial statements and presented the following report.


Angela Rutley
Chief Administrative Officer


John Gareau, CPA, CA
Treasurer

Winchester, Ontario
June 21, 2022

Independent Auditor's Report

To the members of council, inhabitants and ratepayers of the Corporation of the Township of North Dundas

Opinion

We have audited the financial statements of the Corporation of the Township of North Dundas ("the Township"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2021, and the results of its operations, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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 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 financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Township's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Township or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

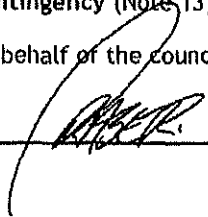
Ottawa, Ontario
June 21, 2022

**Corporation of the Township of North Dundas
Statement of Financial Position**

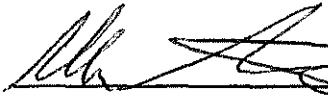
December 31	2021	2020
Financial assets		
Cash	\$16,743,014	\$ 8,511,058
Investments (Note 1)	132,017	5,161,406
Taxes receivable	1,890,065	2,150,641
Accounts receivable	1,785,087	1,272,548
Long-term receivables	84,045	141,949
	20,634,228	17,237,602
Liabilities		
Accounts payable and accrued liabilities	1,788,168	1,189,215
Other current liabilities	1,625,298	706,947
Landfill closure and post-closure (Note 2)	2,218,298	1,833,845
Deferred revenue (Note 3)	2,710,507	1,993,450
Net long-term liabilities (Note 4)	2,756,732	913,445
	11,099,003	6,636,902
Net financial assets	9,535,225	10,600,700
Non-financial assets		
Tangible capital assets (Note 5)	58,687,412	55,746,173
Prepaid expenses	148,104	24,550
Inventory	43,211	48,236
	58,878,727	55,818,959
Accumulated surplus (Note 10)	\$68,413,952	\$ 66,419,659

Commitments (Note 12)
Contingency (Note 13)

On behalf of the council:



Mayor



Deputy Mayor

Corporation of the Township of North Dundas
Statement of Operations

For the year ended December 31	2021 Budget (Note 11)	2021 Actual	2020 Actual
Revenues			
Taxation	\$ 6,798,255	\$ 6,795,262	\$ 6,884,254
User charges	4,566,854	4,417,221	3,910,716
Government transfers			
Government of Canada	782,355	686,676	548,434
Province of Ontario	1,645,065	1,575,097	1,582,213
Other municipalities	242,175	171,228	385,340
Other revenues (Note 6)	1,322,043	745,239	912,792
	<u>15,356,747</u>	<u>14,390,723</u>	<u>14,223,749</u>
Expenses (Note 7)			
General government	1,835,371	1,707,641	1,673,858
Environmental services	3,364,894	3,689,642	3,440,871
Planning and development	824,140	482,865	492,091
Protection services	1,487,878	1,484,547	1,318,143
Recreation and cultural services	2,347,501	1,833,654	1,960,639
Transportation services	3,899,190	3,423,028	4,223,260
	<u>13,758,974</u>	<u>12,621,377</u>	<u>13,108,862</u>
Other			
Obligatory reserve funds revenue recognized (Note 3)	508,783	224,947	52,125
Annual surplus	2,106,556	1,994,293	1,167,012
Accumulated surplus, beginning of the year	<u>66,419,659</u>	<u>66,419,659</u>	<u>65,252,647</u>
Accumulated surplus, end of the year	<u>\$ 68,526,215</u>	<u>\$ 68,413,952</u>	<u>\$ 66,419,659</u>

**Corporation of the Township of North Dundas
Statement of Changes in Net Financial Assets**

For the year ended December 31	2021 Budget (Note 11)	2021 Actual	2020 Actual
Annual surplus	\$ 2,106,556	\$ 1,994,293	\$ 1,167,012
Acquisition of tangible capital assets	(9,512,562)	(6,239,794)	(4,736,739)
Amortization of tangible capital assets	2,758,173	2,758,173	2,741,768
(Gain) loss on disposal of tangible capital assets	-	(263,936)	558,888
Proceeds on disposal of tangible capital assets	439,567	804,318	456,879
	<u>(4,208,266)</u>	<u>(946,946)</u>	<u>187,808</u>
Decrease in inventory	-	5,025	23,740
(Increase) decrease in prepaid expenses	-	(123,554)	43,974
	<u>-</u>	<u>(118,529)</u>	<u>67,714</u>
Net change in net financial assets	(4,208,266)	(1,065,475)	255,522
Net financial assets, beginning of the year	<u>10,600,700</u>	<u>10,600,700</u>	<u>10,345,178</u>
Net financial assets, end of the year	<u>\$ 6,392,434</u>	<u>\$ 9,535,225</u>	<u>\$ 10,600,700</u>

Corporation of the Township of North Dundas
Statement of Cash Flows

For the year ended December 31	2021	2020
Operating transactions		
Annual surplus	\$ 1,994,293	\$ 1,167,012
Items not affecting cash:		
Amortization of tangible capital assets	2,758,173	2,741,768
(Gain) loss on disposal of tangible capital assets	(263,936)	558,888
	<u>4,488,530</u>	<u>4,467,668</u>
Changes in non-cash operating balances:		
Decrease (increase) in taxes receivable	260,576	(15,282)
Increase in accounts receivable	(512,539)	(124,894)
Decrease in long-term receivables	57,904	63,054
Increase in accounts payable and accrued liabilities	598,953	5,903
Increase in other current liabilities	918,351	141,448
Increase in landfill closure and post-closure	384,453	60,187
Increase in deferred revenue	717,057	330,827
Decrease in inventory	5,025	23,740
(Increase) decrease in prepaid expenses	(123,554)	43,974
	<u>6,794,756</u>	<u>4,996,625</u>
Capital transactions		
Acquisition of tangible capital assets	(6,239,794)	(4,736,739)
Proceeds on disposal of tangible capital assets	804,318	456,879
	<u>(5,435,476)</u>	<u>(4,279,860)</u>
Investing transactions		
Change in investments	<u>5,029,389</u>	<u>(2,925,781)</u>
Financing transactions		
Proceeds from long-term liabilities	2,000,000	-
Repayment of long-term liabilities	(156,713)	(156,068)
	<u>1,843,287</u>	<u>(156,068)</u>
Net increase (decrease) in cash	8,231,956	(2,365,084)
Cash, beginning of the year	<u>8,511,058</u>	<u>10,876,142</u>
Cash, end of the year	<u>\$16,743,014</u>	<u>\$ 8,511,058</u>

Corporation of the Township of North Dundas Summary of Significant Accounting Policies

December 31, 2021

Nature and Purpose of the Entity	The Corporation of the Township of North Dundas (the "Township") was created through provincial legislation and commenced operations on January 1, 1998. The Township is responsible for providing municipal services such as community services, emergency and protective services including police and fire and public works including roads, sewers and wastewater, drinking water, garbage and recycling.
Basis of Accounting	The financial statements have been prepared in accordance with Canadian public sector accounting standards.
Use of Estimates	The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the statement of financial position, and the reported amounts of revenues and expenses during the reporting year. The amounts that include estimates are those relating to tangible capital assets as well as those relating to the landfill closure and post-closure.
Revenue Recognition	<p>Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurred. For property taxes, the taxable event is the year for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.</p> <p>Government transfers are recognized as revenue in the financial statements when the transfer is authorized and all eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.</p> <p>Charges for sewer and water usage are recorded as user charges. Connection fee revenues are recognized when the connection has been established.</p> <p>Interest income earned on available funds, other than obligatory reserve funds, are reported as revenue in the year earned. Investment income earned on obligatory reserve funds is added back to the reserve fund balance and forms part of the deferred revenue balance.</p> <p>Sales of services, included in user charges, are recognized on an accrual basis, as the services are rendered.</p>

Corporation of the Township of North Dundas Summary of Significant Accounting Policies

December 31, 2021

Landfill	The estimated costs to close and maintain the landfill site are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are recognized and charged to expense as the landfill site's capacity is used.														
Counties and School Boards	The Township collects taxation revenue on behalf of the school boards and the United Counties of Stormont, Dundas and Glengarry. The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the school boards and the United Counties of Stormont, Dundas and Glengarry are not reflected in these financial statements.														
Deferred Revenue	Revenues restricted by legislation, regulation or agreement and not available for general municipal purposes are reported as deferred revenue on the statement of financial position. The revenue is recognized on the statement of operations in the year in which it is used for the specified purpose.														
Inventory	Inventory of goods not held for resale is measured at cost. Cost is determined on a first in, first out basis.														
Tangible Capital Assets	<p>Tangible capital assets are stated at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is provided on the basis of their useful lives using the straight-line method as follows:</p> <table><tr><td>Land improvements</td><td>15 to 75 years</td></tr><tr><td>Buildings</td><td>15 to 50 years</td></tr><tr><td>Roads, sidewalks and bridges</td><td>7 to 75 years</td></tr><tr><td>Equipment, furniture and machinery</td><td>3 to 30 years</td></tr><tr><td>Water infrastructure</td><td>20 to 100 years</td></tr><tr><td>Sewer infrastructure</td><td>75 to 100 years</td></tr><tr><td>Vehicles</td><td>7 to 20 years</td></tr></table> <p>Landfill sites are amortized using the units of production method based upon capacity used during the year.</p>	Land improvements	15 to 75 years	Buildings	15 to 50 years	Roads, sidewalks and bridges	7 to 75 years	Equipment, furniture and machinery	3 to 30 years	Water infrastructure	20 to 100 years	Sewer infrastructure	75 to 100 years	Vehicles	7 to 20 years
Land improvements	15 to 75 years														
Buildings	15 to 50 years														
Roads, sidewalks and bridges	7 to 75 years														
Equipment, furniture and machinery	3 to 30 years														
Water infrastructure	20 to 100 years														
Sewer infrastructure	75 to 100 years														
Vehicles	7 to 20 years														

Corporation of the Township of North Dundas
Notes to Financial Statements

December 31, 2021

1. Investments

	2021	2020
Guaranteed investment certificates, 2.65% to 3.47%, maturing no later than December 2023.	\$ 132,017	\$ 5,161,406

2. Landfill Closure and Post-Closure

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of groundwater and leachates from the site, ongoing environmental monitoring, site inspection and maintenance and reporting to the Ministry. The reported liability is based on estimates and assumptions with respect to events extending over a 30 year period using the best information available to management. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

	Total estimated expenses	2021 Accrued liabilities	2020 Accrued liabilities
Boyne landfill site	\$ 1,841,288	\$ 1,841,288	\$ 1,487,693
Mountain landfill site	377,010	377,010	346,152
	\$ 2,218,298	\$ 2,218,298	\$ 1,833,845

The estimated remaining capacity of the landfill sites, being a percentage of the total estimated capacity and the estimated remaining life of the sites are indicated below. The estimated number of years for post-closure care is also indicated.

	% of remaining capacity	Remaining life	Post-closure period
Boyne landfill site	-	-	25
Mountain landfill site	-	-	25

Corporation of the Township of North Dundas
Notes to Financial Statements

December 31, 2021

3. Deferred Revenue

	2021	2020
Obligatory Reserve Funds		
Development charges	\$ 1,593,223	\$ 1,296,801
Recreational land	314,426	282,063
Federal Gas Tax	200,943	-
Ontario Community Infrastructure Fund (OCIF)	15,075	2,803
Other		
Building code act	489,733	326,497
Deposits	97,107	85,286
	\$ 2,710,507	\$ 1,993,450

The net change during the year in the restricted deferred revenue balance is made up of the following:

	Development charges	Recreational land	Federal Gas Tax	OCIF
Deferred revenue, beginning of the year	\$ 1,296,801	\$ 282,063	\$ -	\$ 2,803
Restricted funds received during the year	509,128	29,068	700,752	274,576
Interest earned	12,241	3,295	2,875	765
Revenue recognized during the year	(224,947)	-	(502,684)	(263,069)
	\$ 1,593,223	\$ 314,426	\$ 200,943	\$ 15,075

Corporation of the Township of North Dundas
Notes to Financial Statements

December 31, 2021

4. Net Long-Term Liabilities

	2021	2020
Loan, 1.52%, due April 2022, payable by monthly instalments of \$4,309, principal plus interest (LED street light conversion).	\$ 17,235	\$ 68,938
Loan, 2.24%, due April 2030, payable by monthly instalments of \$3,475, principal plus interest (Winchester arena slab).	347,488	389,186
Loan, 2.24%, due April 2030, payable by monthly instalments of \$3,326, principal plus interest (Chesterville arena upgrades).	332,594	372,506
Tile drainage loans bear interest at 6% and are repayable in annual instalments. The loans are due between 2020 and 2029 and are recoverable from benefiting landowners	59,415	82,815
Debentures, 2.27%, maturing December 2031, payable by monthly instalments of \$16,666, principal only.	2,000,000	-
	\$ 2,756,732	\$ 913,445

The principal payments for the next five years amount to: 2022, \$298,844; 2023, \$281,610; 2024, \$281,610; 2025, \$281,610; 2026, \$281,610.

Corporation of the Township of North Dundas
Notes to Financial Statements

December 31, 2021

5. Tangible Capital Assets

	2021				
	Land	Land improvements and landfill sites	Buildings	Roads, sidewalks and bridges	Equipment, furniture and machinery
Cost, beginning of year	\$ 2,393,188	\$ 10,060,657	\$ 10,033,483	\$ 40,523,696	\$ 5,160,399
Acquisitions of tangible capital assets	-	876,535	263,026	3,712,986	378,851
Disposals of tangible capital assets	(15,454)	(318,904)	-	(822,536)	(153,756)
Cost, end of year	2,377,734	10,618,288	10,296,509	43,414,146	5,385,494
Accumulated amortization, beginning of year	-	3,248,997	4,417,593	19,352,110	3,199,534
Amortization of tangible capital assets	-	291,616	277,127	1,214,851	279,146
Disposals of tangible capital assets	-	(151,931)	-	(752,452)	(145,249)
Accumulated amortization, end of year	-	3,388,682	4,694,720	19,814,509	3,333,431
Net carrying amount, end of year	\$ 2,377,734	\$ 7,229,606	\$ 5,601,789	\$ 23,599,637	\$ 2,052,063

	Water infrastructure	Sewer infrastructure	Vehicles	Total
Cost, beginning of year	\$ 14,810,313	\$ 8,794,752	\$ 5,187,689	\$ 96,964,177
Acquisitions of tangible capital assets	343,928	57,679	606,789	6,239,794
Disposals of tangible capital assets	(525,968)	(4,953)	(516,686)	(2,358,257)
Reclassification	88	-	-	88
Cost, end of year	14,628,361	8,847,478	5,277,792	100,845,802
Accumulated amortization, beginning of year	5,210,104	3,141,851	2,647,815	41,218,004
Amortization of tangible capital assets	304,507	140,161	250,765	2,758,173
Disposals of tangible capital assets	(397,663)	(2,272)	(368,308)	(1,817,875)
Reclassification	88	-	-	88
Accumulated amortization, end of year	5,117,036	3,279,740	2,530,272	42,158,390
Net carrying amount, end of year	\$ 9,511,325	\$ 5,567,738	\$ 2,747,520	\$ 58,687,412

Corporation of the Township of North Dundas
Notes to Financial Statements

December 31, 2021

5. Tangible Capital Assets (continued)

	2020				
	Land	Land improvements and landfill sites	Buildings	Roads, sidewalks and bridges	Equipment, furniture and machinery
Cost, beginning of year	\$ 2,365,567	\$ 9,920,917	\$ 9,726,151	\$ 39,641,827	\$ 5,366,603
Acquisitions of tangible capital assets	47,717	285,498	433,837	2,396,731	245,788
Disposals of tangible capital assets	(20,096)	(145,758)	(126,505)	(1,514,862)	(451,992)
Cost, end of year	2,393,188	10,060,657	10,033,483	40,523,696	5,160,399
Accumulated amortization, beginning of year	-	3,170,575	4,171,100	19,081,030	3,274,551
Amortization of tangible capital assets	-	188,434	289,510	1,215,466	289,866
Disposals of tangible capital assets	-	(110,012)	(43,017)	(944,386)	(364,883)
Accumulated amortization, end of year	-	3,248,997	4,417,593	19,352,110	3,199,534
Net carrying amount, end of year	\$ 2,393,188	\$ 6,811,660	\$ 5,615,890	\$ 21,171,586	\$ 1,960,865
		Water infrastructure	Sewer infrastructure	Vehicles	Total
Cost, beginning of year	\$	14,721,339	\$ 8,821,281	\$ 4,359,000	\$ 94,922,685
Acquisitions of tangible capital assets		166,822	131,986	1,028,360	4,736,739
Disposals of tangible capital assets		(77,848)	(158,515)	(199,671)	(2,695,247)
Cost, end of year		14,810,313	8,794,752	5,187,689	96,964,177
Accumulated amortization, beginning of year		4,917,076	3,002,811	2,538,573	40,155,716
Amortization of tangible capital assets		314,770	139,040	304,682	2,741,768
Disposals of tangible capital assets		(21,742)	-	(195,440)	(1,679,480)
Accumulated amortization, end of year		5,210,104	3,141,851	2,647,815	41,218,004
Net carrying amount, end of year	\$	9,600,209	\$ 5,652,901	\$ 2,539,874	\$ 55,746,173

The book value of tangible capital assets not being amortized because they are under construction is \$1,350,697 (2020 - \$961,399).

Corporation of the Township of North Dundas
Notes to Financial Statements

December 31, 2021

6. Other Revenues

	2021 Budget	2021 Actual	2020 Actual
Donations	\$ 482,925	\$ 320,308	\$ 554,693
Interest and penalties on taxes	330,000	318,027	254,481
Interest income	69,551	106,904	103,618
Gain on disposal of tangible capital assets (Budget only)	439,567	-	-
	<u>\$ 1,322,043</u>	<u>\$ 745,239</u>	<u>\$ 912,792</u>

7. Expenses by Object

Total expenses for the year reported on the statement of operations are as follows:

	2021	2020
Amortization of tangible capital assets	\$ 2,758,173	\$ 2,741,768
Contracted services	1,972,874	2,248,728
Contributions to other organizations	203,367	197,543
(Gain) loss on disposal of tangible capital assets	(263,936)	558,888
Materials	3,176,605	2,764,065
Rents and financial expenses	40,497	55,262
Salaries, wages and benefits	4,733,797	4,542,608
	<u>\$12,621,377</u>	<u>\$ 13,108,862</u>

Corporation of the Township of North Dundas Notes to Financial Statements

December 31, 2021

8. Pension Agreement

The Township is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Township has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles.

OMERS provides pension services to almost 500,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of the OMERS Primary Pension Plan (the Plan) by comparing the fair market value of the invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2021. The results of this valuation disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with fair market assets at that date of \$117,665 million indicating an actuarial deficit of \$3,131 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS by the Township and expensed for 2021 was \$269,417 (2020 - \$266,877).

9. Operations of School Boards and the United Counties of Stormont, Dundas and Glengarry

During the year, the following taxation revenues were raised and remitted to the school boards and the United Counties of Stormont, Dundas and Glengarry:

	<u>2021</u>	<u>2020</u>
School boards	<u>\$ 3,653,390</u>	<u>\$ 3,974,555</u>
United Counties of Stormont, Dundas and Glengarry	<u>\$ 9,830,784</u>	<u>\$ 9,784,723</u>

Corporation of the Township of North Dundas
Notes to Financial Statements

December 31, 2021

10. Accumulated Surplus

	2021	2020
Reserves		
Working fund	\$ 2,808,629	\$ 2,332,308
Fire	531,311	840,570
Recreation and culture	344,476	254,403
Roads	1,271,071	1,141,243
Sewer and water	5,384,649	4,887,251
Waste management	191,557	382,036
Other	271,553	210,064
	10,803,246	10,047,875
Reserve funds		
Association and events	77,633	117,195
Infrastructure	2,185,931	2,185,931
Recreation and culture	38,161	37,803
Sewer and Water	1,350,664	869,155
South Mountain Union Cemetery	18,302	17,996
Waste management	537,635	532,297
	4,208,326	3,760,377
Investment in tangible capital assets		
Invested in tangible capital assets	58,687,412	55,746,173
Unfinanced tangible capital assets	(369,417)	(470,291)
Related net long-term liabilities	(2,697,317)	(830,630)
	55,620,678	54,445,252
Unfinanced landfill closure and post-closure	(2,218,298)	(1,833,845)
Accumulated surplus	\$68,413,952	\$ 66,419,659

Corporation of the Township of North Dundas
Notes to Financial Statements

December 31, 2021

11. Budget

The Financial Plan (Budget) By-Law adopted by Council was not prepared on a basis consistent with that used to report actual results (Canadian public sector accounting standards). The budget was prepared on a modified accrual basis while Canadian public sector accounting standards requires a full accrual basis. In addition, the budget expenses all tangible capital assets rather than including amortization of tangible capital assets expense. As a result, the budget figures presented in the statements of operations and changes in net financial assets represents the Financial Plan adopted by Council with adjustments as follows:

	<u>2021</u>
Budget for the year	\$ -
Add:	
Acquisition of tangible capital assets	9,512,562
Financing of tangible capital assets	(2,000,000)
Repayment of long-term liabilities	(134,910)
Less:	
Proceeds on disposal of tangible capital assets	(439,567)
Transfers from accumulated surplus	(2,073,356)
Amortization of tangible capital assets	<u>(2,758,173)</u>
Budgeted surplus per statement of operations	<u>\$ 2,106,556</u>

12. Commitments

The Township has signed a non-expiring contract for fire services. The amount agreed upon for those services is \$39,053 per year.

The Township signed a 7 year contract with the Ontario Clean Water Agency for services relating to water, from 2021 to 2027. The minimum amount agreed upon for those services is \$805,138.

The Township signed a contribution agreement for the Hallville Park, from 2021 to 2026. The total amount is \$727,742 for that period.

The total minimum annual payments over the next five years are as follows:

2022	\$ 956,591
2023	\$ 972,694
2024	\$ 989,119
2025	\$ 1,005,872
2026	\$ 1,040,390

Corporation of the Township of North Dundas Notes to Financial Statements

December 31, 2021

13. Contingency

During 2014, the Government of Ontario expanded regulations to include six additional cancers presumed to be work-related for firefighters under the Workplace Safety and Insurance Act. This change is retroactive to January 1, 1960. During the years 1997 to 2010, the Township was a Schedule 2 employer for WSIB, meaning that the Township self-insured for WSIB benefits. This change in regulations may give rise to liabilities of the Township for work-related cancers incurred by firefighters during that period. The Township is assessing the impact of this change and is unable to determine whether a liability exists at year end. Consequently, no provision has been made in these financial statements for any liability that may result.

Corporation of the Township of North Dundas

Notes to Financial Statements

December 31, 2021

14. Segmented Information

The Township is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, water and sewer, transportation and recreational. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Environmental

Environmental services consists of providing the Township's drinking water, waste disposal as well as garbage and recycling collection to citizens, processing and cleaning sewage and ensuring the water and sewer system meet all Provincial standards.

Planning and Development

This department provides a number of services including city planning and review of all property development plans through its application process. It also provides maintenance of municipal drains, which ensures proper drainage for agricultural properties and tile drainage, whereas the Township acts an intermediate between the landowners and the province.

Protection

Protection is comprised of police services, fire protection, conservation authority, protective inspection, control and emergency measures and enforcement of building and construction codes. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The inspection and control department includes building inspection, by-law enforcement and dog control services.

Recreation and Cultural

Recreation and cultural consists of providing services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure programs and facilities including community halls, libraries, parks, recreation fields and arenas.

Transportation

Transportation is responsible for providing the winter and summer maintenance, the repair and construction of the Township's roads system including bridges, sidewalks and culverts.

General Government

This item relates to the revenues and expenses from operations of the Township itself and cannot be directly attributed to a specific segment.

Corporation of the Township of North Dundas
Notes to Financial Statements

December 31

14. Segmented Information (continued)

For the year ended December 31	Environmental	Planning and Development	Protection	Recreation and Cultural	Transportation	General Government	2021 total
Revenues							
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,795,262	\$ 6,795,262
User charges	3,148,821	133,360	349,683	296,898	29,596	458,863	4,417,221
Government transfers - Federal	-	-	-	169,026	517,650	-	686,676
Government transfers - Provincial	-	9,740	1,687	21,725	348,152	1,193,793	1,575,097
Government transfers - Other municipalities	4,041	35,184	15,733	20,523	30,380	65,367	171,228
Other revenues (Note 6)	21,923	-	55,093	71,352	184,740	412,131	745,239
Obligatory reserve funds revenue (Note 3)	1,354	-	63,000	-	30,000	130,593	224,947
	<u>3,176,139</u>	<u>178,284</u>	<u>485,196</u>	<u>579,524</u>	<u>1,140,518</u>	<u>9,056,009</u>	<u>14,615,670</u>
Expenses							
Amortization of tangible capital assets	708,514	30,956	228,441	293,747	1,422,281	74,234	2,758,173
Contracted services	1,054,082	110,646	149,426	149,469	262,929	246,322	1,972,874
Contributions to other organizations	-	54,815	96,941	38,085	-	13,526	203,367
(Gain) loss on disposal of tangible capital assets	115,241	-	7,177	(129,656)	(256,669)	(29)	(263,936)
Materials	973,002	29,457	278,887	552,554	974,872	367,833	3,176,605
Rents and financial expenses	1,558	804	804	18,610	8,195	10,526	40,497
Salaries, wages and benefits	837,245	256,187	722,871	910,845	1,011,420	995,229	4,733,797
	<u>3,689,642</u>	<u>482,865</u>	<u>1,484,547</u>	<u>1,833,654</u>	<u>3,423,028</u>	<u>1,707,641</u>	<u>12,621,377</u>
Annual surplus (deficit)	\$ (513,503)	\$ (304,581)	\$ (999,351)	\$ (1,254,130)	\$ (2,282,510)	\$ 7,348,368	\$ 1,994,293

Corporation of the Township of North Dundas
Notes to Financial Statements

December 31

14. Segmented Information (continued)

For the year ended December 31	Environmental	Planning and Development	Protection	Recreation and Cultural	Transportation	General Government	2020
Revenues							
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,884,254	\$ 6,884,254
User charges	2,874,447	147,219	190,229	301,644	3,575	393,602	3,910,716
Government transfers - Federal	-	-	-	63,840	478,714	5,880	548,434
Government transfers - Provincial	-	16,483	2,287	-	363,807	1,199,636	1,582,213
Government transfers - Other municipalities	4,542	21,034	16,807	36,139	125,973	180,845	385,340
Other revenues (Note 6)	50,810	456,695	28,329	70,427	25,000	281,531	912,792
Obligatory reserve funds revenue (Note 3)	61	-	5,451	-	46,613	-	52,125
	<u>2,929,860</u>	<u>641,431</u>	<u>243,103</u>	<u>472,050</u>	<u>1,043,682</u>	<u>8,945,748</u>	<u>14,275,874</u>
Expenses							
Amortization of tangible capital assets	732,607	-	174,232	347,300	1,407,078	80,551	2,741,768
Contracted services	1,294,664	128,319	119,472	87,810	451,491	166,972	2,248,728
Contributions to other organizations	-	50,472	91,937	31,134	-	24,000	197,543
Loss on disposal of tangible capital assets	90,096	3,826	13,973	43,277	359,477	48,239	558,888
Materials	583,414	45,030	233,737	565,607	940,537	395,740	2,764,065
Rents and financial expenses	652	596	571	20,001	24,102	9,340	55,262
Salaries, wages and benefits	739,438	263,848	684,221	865,510	1,040,575	949,016	4,542,608
	<u>3,440,871</u>	<u>492,091</u>	<u>1,318,143</u>	<u>1,960,639</u>	<u>4,223,260</u>	<u>1,673,858</u>	<u>13,108,862</u>
Annual surplus (deficit)	\$ (511,011)	\$ 149,340	\$ (1,075,040)	\$ (1,488,589)	\$ (3,179,578)	\$ 7,271,890	\$ 1,167,012