

Corporation of the Township of North Dundas

Financial Statements

For the year ended December 31, 2022

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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.

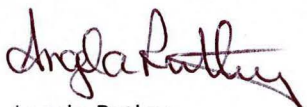
To assess certain facts and operations, management has made estimates based on its best judgement of the situation and by taking into account materiality.

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
December 19, 2023

Independent Auditor's Report

**To the members of council 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, 2022, 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, 2022, 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
December 19, 2023

Corporation of the Township of North Dundas

Statement of Financial Position

December 31 2022 2021

Financial assets

Cash	\$16,954,042	\$ 16,743,014
Investments (Note 1)	134,924	132,017
Taxes receivable	2,044,866	1,890,065
Accounts receivable	2,014,776	1,795,861
Long-term receivables	82,551	73,271
	<u>21,231,159</u>	<u>20,634,228</u>

Liabilities

Accounts payable and accrued liabilities	4,033,519	1,788,168
Other current liabilities	2,484,599	1,625,298
Landfill closure and post-closure (Note 2)	2,065,464	2,218,298
Deferred revenue (Note 3)	2,198,681	2,710,507
Net long-term liabilities (Note 4)	2,460,628	2,756,732
	<u>13,242,891</u>	<u>11,099,003</u>

Net financial assets

<u>7,988,268</u>	<u>9,535,225</u>
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Non-financial assets

Tangible capital assets (Note 5)	64,508,439	58,687,412
Prepaid expenses	89,426	148,104
Inventory	88,841	43,211
	<u>64,686,706</u>	<u>58,878,727</u>


Accumulated surplus (Note 10)

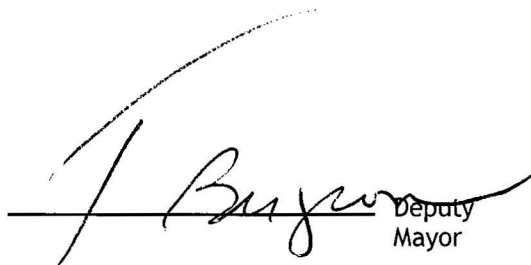
<u>\$72,674,974</u>	<u>\$ 68,413,952</u>
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Commitments (Note 12)

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	2022 Budget (Note 11)	2022 Actual	2021 Actual
Revenues			
Taxation	\$ 7,484,411	\$ 7,484,411	\$ 6,795,262
User charges	5,011,636	5,011,636	4,417,221
Government transfers			
Government of Canada	583,893	583,893	686,676
Province of Ontario	1,873,792	1,873,792	1,575,097
Other municipalities	544,303	544,303	171,228
Other revenues (Note 6)	844,271	914,053	745,239
	<u>16,342,306</u>	<u>16,412,088</u>	<u>14,390,723</u>
Expenses (Note 7)			
General government	2,042,022	1,775,306	1,707,641
Environmental services	3,289,424	3,023,530	3,689,642
Planning and development	1,024,717	730,937	482,865
Protection services	1,700,238	1,665,815	1,484,547
Recreation and cultural services	2,790,918	2,507,111	1,833,654
Transportation services	4,322,353	3,576,050	3,423,028
	<u>15,169,672</u>	<u>13,278,749</u>	<u>12,621,377</u>
Other			
Obligatory reserve funds revenue recognized (Note 3)	<u>1,127,683</u>	<u>1,127,683</u>	<u>224,947</u>
Annual surplus	2,300,317	4,261,022	1,994,293
Accumulated surplus, beginning of the year	<u>68,413,952</u>	<u>68,413,952</u>	<u>66,419,659</u>
Accumulated surplus, end of the year	<u>\$ 70,714,269</u>	<u>\$72,674,974</u>	<u>\$ 68,413,952</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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

For the year ended December 31	2022 Budget (Note 11)	2022 Actual	2021 Actual
Annual surplus	\$ 2,300,317	\$ 4,261,022	\$ 1,994,293
Acquisition of tangible capital assets	(6,853,954)	(8,866,938)	(6,239,794)
Amortization of tangible capital assets	2,965,876	2,965,876	2,758,173
Gain on disposal of tangible capital assets	-	(648,500)	(263,936)
Proceeds on disposal of tangible capital assets	648,500	728,535	804,318
	(939,261)	(1,560,005)	(946,946)
(Increase) decrease in inventory	-	(45,630)	5,025
Decrease (increase) in prepaid expenses	-	58,678	(123,554)
	-	13,048	(118,529)
Net change in net financial assets	(939,261)	(1,546,957)	(1,065,475)
Net financial assets, beginning of the year	9,535,225	9,535,225	10,600,700
Net financial assets, end of the year	\$ 8,595,964	\$ 7,988,268	\$ 9,535,225

Corporation of the Township of North Dundas

Statement of Cash Flows

For the year ended December 31	2022	2021
Operating transactions		
Annual surplus	\$ 4,261,022	\$ 1,994,293
Items not affecting cash:		
Amortization of tangible capital assets	2,965,876	2,758,173
Gain on disposal of tangible capital assets	(648,500)	(263,936)
	<u>6,578,398</u>	<u>4,488,530</u>
Changes in non-cash operating balances:		
(Increase) decrease in taxes receivable	(154,801)	260,576
Increase in accounts receivable	(218,915)	(512,539)
(Increase) decrease in long-term receivables	(9,280)	57,904
Increase in accounts payable and accrued liabilities	2,245,351	598,953
Increase in other current liabilities	859,301	918,351
(Decrease) increase in landfill closure and post-closure	(152,834)	384,453
(Decrease) increase in deferred revenue	(511,826)	717,057
(Increase) decrease in inventory	(45,630)	5,025
Decrease (increase) in prepaid expenses	58,678	(123,554)
	<u>8,648,442</u>	<u>6,794,756</u>
Capital transactions		
Acquisition of tangible capital assets	(8,866,938)	(6,239,794)
Proceeds on disposal of tangible capital assets	728,535	804,318
	<u>(8,138,403)</u>	<u>(5,435,476)</u>
Investing transactions		
Change in investments	(2,907)	5,029,389
Financing transactions		
Proceeds from long-term liabilities	-	2,000,000
Repayment of long-term liabilities	(296,104)	(156,713)
	<u>(296,104)</u>	<u>1,843,287</u>
Net increase in cash	211,028	8,231,956
Cash, beginning of the year	16,743,014	8,511,058
Cash, end of the year	\$16,954,042	\$ 16,743,014

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

December 31, 2022

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, 2022

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, 2022

1. Investments

	2022	2021
Guaranteed investment certificates, 2.65% to 3.87%, maturing no later than April 2025.	\$ 134,924	\$ 132,017

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	2022 Accrued liabilities	2021 Accrued liabilities
Boyne landfill site	\$ 2,065,464	\$ 2,065,464	\$ 1,841,288
Mountain landfill site	-	-	377,010
	\$ 2,065,464	\$ 2,065,464	\$ 2,218,298

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, 2022

3. Deferred Revenue

	2022	2021
Obligatory Reserve Funds		
Development charges	\$ 1,161,927	\$ 1,593,223
Recreational land	373,396	314,426
Federal Gas Tax	13,868	200,943
Ontario Community Infrastructure Fund (OCIF)	17,508	15,075
Other		
Building code act	498,594	489,733
Deposits	133,388	97,107
	\$ 2,198,681	\$ 2,710,507

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	\$ 1,593,223	\$ 314,426	\$ 200,943	\$ 15,075
Restricted funds received during the year	644,983	61,582	357,684	554,281
Interest earned	51,404	8,979	6,775	2,433
Revenue recognized during the year	(1,127,683)	(11,591)	(551,534)	(554,281)
	\$ 1,161,927	\$ 373,396	\$ 13,868	\$ 17,508

Corporation of the Township of North Dundas
Notes to Financial Statements

December 31, 2022

4. Net Long-Term Liabilities

	<u>2022</u>	<u>2021</u>
Loan, 1.52%, repaid during the year (LED street light conversion).	\$ -	\$ 17,235
Loan, 2.24%, due April 2030, payable by monthly instalments of \$3,475, principal plus interest (Winchester arena slab).	305,789	347,488
Loan, 2.24%, due April 2030, payable by monthly instalments of \$3,326, principal plus interest (Chesterville arena upgrades).	292,683	332,594
Tile drainage loans bear interest at 6% and are repayable in annual instalments. The loans are due between 2021 and 2029 and are recoverable from benefiting landowners.	62,156	59,415
Debentures, 2.27%, maturing December 2031, payable by monthly instalments of \$16,666, principal only.	1,800,000	2,000,000
	<u>\$ 2,460,628</u>	<u>\$ 2,756,732</u>

The principal payments for the next five years amount to: 2023, \$281,610; 2024, \$281,610; 2025, \$281,610; 2026, \$281,610; 2027, \$281,610.

Corporation of the Township of North Dundas

Notes to Financial Statements

December 31, 2022

5. Tangible Capital Assets

	2022				
	Land	Land improvements and landfill sites	Buildings	Roads, sidewalks and bridges	Equipment, furniture and machinery
Cost, beginning of year	\$ 2,377,734	\$ 10,618,288	\$ 10,296,509	\$ 43,414,146	\$ 5,385,494
Acquisitions of tangible capital assets	11,591	310,248	546,357	3,011,630	1,198,512
Disposals of tangible capital assets	-	(8,149)	(9,336)	(556,194)	(102,571)
Cost, end of year	2,389,325	10,920,387	10,833,530	45,869,582	6,481,435
Accumulated amortization, beginning of year	-	3,388,682	4,694,720	19,814,509	3,333,431
Amortization of tangible capital assets	-	263,704	275,963	1,386,116	286,524
Disposals of tangible capital assets	-	(7,713)	-	(516,077)	(102,572)
Accumulated amortization, end of year	-	3,644,673	4,970,683	20,684,548	3,517,383
Net carrying amount, end of year	\$ 2,389,325	\$ 7,275,714	\$ 5,862,847	\$ 25,185,034	\$ 2,964,052

	Water infrastructure	Sewer infrastructure	Vehicles	Total
Cost, beginning of year	\$ 14,628,361	\$ 8,847,478	\$ 5,277,792	\$ 100,845,802
Acquisitions of tangible capital assets	1,929,307	750,440	1,108,853	8,866,938
Disposals of tangible capital assets	(35,248)	-	(195,106)	(906,604)
Cost, end of year	16,522,420	9,597,918	6,191,539	108,806,136
Accumulated amortization, beginning of year	5,117,036	3,279,740	2,530,272	42,158,390
Amortization of tangible capital assets	288,057	140,501	325,011	2,965,876
Disposals of tangible capital assets	(5,101)	-	(195,106)	(826,569)
Accumulated amortization, end of year	5,399,992	3,420,241	2,660,177	44,297,697
Net carrying amount, end of year	\$ 11,122,428	\$ 6,177,677	\$ 3,531,362	\$ 64,508,439

Corporation of the Township of North Dundas

Notes to Financial Statements

December 31, 2022

5. Tangible Capital Assets (continued)

	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

The book value of tangible capital assets not being amortized because they are under construction is \$1,350,697 (2021 - \$961,399).

Corporation of the Township of North Dundas

Notes to Financial Statements

December 31, 2022

6. Other Revenues

	2022 Budget	2022 Actual	2021 Actual
Donations	\$ 233,273	\$ 237,090	\$ 320,308
Interest and penalties on taxes	294,300	294,300	318,027
Interest income	316,698	382,663	106,904
	<u>\$ 844,271</u>	<u>\$ 914,053</u>	<u>\$ 745,239</u>

7. Expenses by Object

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

	2022	2021
Amortization of tangible capital assets	\$ 2,961,990	\$ 2,758,173
Contracted services	2,275,048	1,972,874
Contributions to other organizations	268,167	203,367
Gain on disposal of tangible capital assets	(648,500)	(263,936)
Materials	3,170,987	3,176,605
Rents and financial expenses	165,350	40,497
Salaries, wages and benefits	5,085,707	4,733,797
	<u>\$13,278,749</u>	<u>\$ 12,621,377</u>

Corporation of the Township of North Dundas

Notes to Financial Statements

December 31, 2022

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 over 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, 2022. The results of this valuation disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with fair market assets at that date of \$123,628 million indicating an actuarial deficit of \$6,678 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 2022 was \$294,522 (2021 - \$269,417).

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:

	2022	2021
School boards	<u>\$ 3,822,473</u>	<u>\$ 3,653,390</u>
United Counties of Stormont, Dundas and Glengarry	<u>\$10,458,410</u>	<u>\$ 9,830,784</u>

Corporation of the Township of North Dundas

Notes to Financial Statements

December 31, 2022

10. Accumulated Surplus

	2022	2021
Reserves		
Working fund	\$ 2,928,804	\$ 2,808,629
Fire	477,387	531,311
Recreation and culture	355,957	344,476
Roads	688,834	1,271,071
Sewer and water	5,084,425	5,384,649
Waste management	211,557	191,557
Other	244,388	271,553
	<u>9,991,352</u>	<u>10,803,246</u>
Reserve funds		
Association and events	207,956	77,633
Infrastructure	2,062,536	2,185,931
Recreation and culture	36,152	38,161
Sewer and Water	1,087,339	1,350,664
South Mountain Union Cemetery	18,577	18,302
Waste management	551,154	537,635
	<u>3,963,714</u>	<u>4,208,326</u>
Investment in tangible capital assets		
Invested in tangible capital assets	64,508,439	58,687,412
Unfinanced tangible capital assets	(1,324,595)	(369,417)
Related net long-term liabilities	(2,398,472)	(2,697,317)
	<u>60,785,372</u>	<u>55,620,678</u>
Unfinanced landfill closure and post-closure	<u>(2,065,464)</u>	<u>(2,218,298)</u>
Accumulated surplus	<u>\$72,674,974</u>	<u>\$ 68,413,952</u>

Corporation of the Township of North Dundas

Notes to Financial Statements

December 31, 2022

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>2022</u>
Budget for the year	\$ -
Add:	
Acquisition of tangible capital assets	6,853,954
Financing of tangible capital assets	(2,398,472)
Repayment of long-term liabilities	(298,845)
Less:	
Proceeds on disposal of tangible capital assets	(648,500)
Transfers from accumulated surplus	1,754,170
Amortization of tangible capital assets	<u>(2,961,990)</u>
Budgeted surplus per statement of operations	<u>\$ 2,300,317</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 has signed a snow removal contracts, lasting from November 2022 until April 2025. The expected commitment for those services is \$546,122.

The Township has signed several regular maintenance contracts, lasting from April 2022 until March 2026. The total expected commitment for those services is \$56,820.

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 Township has signed an agreement to build a lagoon in Winchester. Construction is expected to begin in August 2023, with the project scheduled for completion in April 2025. The amount agreed upon for those services is \$13,639,031.

Corporation of the Township of North Dundas

Notes to Financial Statements

December 31, 2022

12. Commitments (continued)

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

2023	\$ 4,637,180
2024	\$ 9,428,860
2025	\$ 3,199,298
2026	\$ 1,061,790
2027	\$ 944,218

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, 2022

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	2022 total
Revenues							
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,484,411	\$ 7,484,411
User charges	3,426,478	217,879	344,616	579,870	43,935	398,858	5,011,636
Government transfers - Federal	1,275	-	-	31,084	551,534	-	583,893
Government transfers - Provincial	1,044	41,669	1,342	-	663,627	1,166,110	1,873,792
Government transfers - Other municipalities	4,804	35,184	15,733	20,523	361,483	106,576	544,303
Other revenues (Note 6)	21,923	-	55,093	71,352	184,740	580,945	914,053
Obligatory reserve funds revenue (Note 3)	1,456	5,338	-	130,733	990,156	-	1,127,683
	3,456,980	300,070	416,784	833,562	2,795,475	9,736,900	17,539,771
Expenses							
Amortization of tangible capital assets	694,494	88,000	254,582	290,338	1,550,255	84,321	2,961,990
Contracted services	1,073,482	187,258	198,086	230,461	337,774	247,987	2,275,048
Contributions to other organizations	-	94,004	100,081	63,082	-	11,000	268,167
(Gain) loss on disposal of tangible capital assets	3,078	-	(1,460)	1,351	(649,868)	(1,601)	(648,500)
Materials	405,775	42,764	341,492	772,902	1,172,835	435,219	3,170,987
Rents and financial expenses	1,167	35,549	1,219	18,719	53,947	54,749	165,350
Salaries, wages and benefits	845,534	283,362	771,815	1,130,258	1,111,107	943,631	5,085,707
	3,023,530	730,937	1,665,815	2,507,111	3,576,050	1,775,306	13,278,749
Annual surplus (deficit)	\$ 433,450	\$ (430,867)	\$ (1,249,031)	\$ (1,673,549)	\$ (780,575)	\$ 7,961,594	\$ 4,261,022

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
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
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)	<u>\$ (513,503)</u>	<u>\$ (304,581)</u>	<u>\$ (999,351)</u>	<u>\$ (1,254,130)</u>	<u>\$ (2,282,510)</u>	<u>\$ 7,348,368</u>	<u>\$ 1,994,293</u>