

# Corporation of the Township of North Dundas Financial Statements

For the year ended December 31, 2023

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## Management's Responsibility for the Financial Statements

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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.

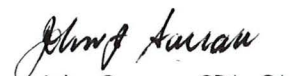
The responsibilities of the municipal council include overseeing financial reporting and presentation procedures, which includes reviewing and approving the financial statements.

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



Calvin Pol  
Interim Chief Administrative Officer

Winchester, Ontario  
November 12, 2024



John Gareau, CPA, CA  
Treasurer

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## Independent Auditor's Report

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To the members of council of the  
Corporation of the Township of North Dundas

### Qualified 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, 2023, and the statements of operations, changes in net financial assets (net debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2023, 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 Qualified Opinion

Effective January 1, 2023, the Township was required to adopt *PS 3280 Asset Retirement Obligations* which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retroactive application method, the asset retirement obligation on transition is to be recorded using assumptions as of January 1, 2023. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. In addition, the Township's closure and post closure landfill liability was to be recalculated following the guidance of *PS 3280* rather than *PS 3270 Solid Waste Landfill Closure and Post-Closure Liability*. Management has not completed its assessment of the tangible capital assets for potential asset retirement obligations nor recalculated the Township's landfill liability. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended December 31, 2023 and 2022, tangible capital assets, landfill closure and post-closure liabilities and the asset retirement obligation as at December 31, 2023 and 2022, and accumulated surplus as at January 1 and December 31 for both the 2023 and 2022 years.

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 Qualified 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

## Independent Auditor's Report

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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

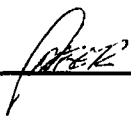
Ottawa, Ontario  
November 12, 2024

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

December 31	2023	2022
<b>Financial assets</b>		
Cash	\$ 5,504,669	\$ 16,954,042
Investments (Note 1)	134,924	134,924
Taxes receivable	2,374,343	2,044,866
Accounts receivable	2,955,332	2,014,776
Long-term receivables	64,270	82,551
	<b>11,033,538</b>	<b>21,231,159</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	6,341,641	4,033,519
Other current liabilities	2,058,970	2,484,599
Landfill closure and post-closure (Note 2)	1,925,138	2,065,464
Deferred revenue (Note 3)	2,433,504	2,198,681
Net long-term liabilities (Note 4)	2,160,737	2,460,628
	<b>14,919,990</b>	<b>13,242,891</b>
<b>Net financial assets (net debt)</b>	<b>(3,886,452)</b>	<b>7,988,268</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 5)	79,282,797	64,508,439
Prepaid expenses	65,703	89,426
Inventory	78,658	88,841
	<b>79,427,158</b>	<b>64,686,706</b>
<b>Accumulated surplus (Note 10)</b>	<b>\$ 75,540,706</b>	<b>\$ 72,674,974</b>

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	2023 Budget (Note 11)	2023 Actual	2022 Actual
<b>Revenues</b>			
Taxation	\$ 8,379,544	\$ 8,211,138	\$ 7,484,411
User charges	6,088,367	6,204,152	5,096,025
Government transfers			
Government of Canada	828,703	654,632	583,893
Province of Ontario	2,064,030	1,721,291	1,873,792
Other municipalities	451,099	358,817	459,914
Other revenues (Note 6)	906,997	1,030,462	914,053
	<u>18,718,740</u>	<u>18,180,492</u>	<u>16,412,088</u>
<b>Expenses (Note 7)</b>			
General government	2,210,342	1,958,768	1,775,306
Environmental services	3,621,369	3,289,554	3,023,530
Planning and development	899,801	709,168	730,937
Protection services	1,921,980	1,990,682	1,665,815
Recreation and cultural services	3,119,557	2,942,457	2,507,111
Transportation services	4,935,340	5,013,413	3,576,050
	<u>16,708,389</u>	<u>15,904,042</u>	<u>13,278,749</u>
<b>Other</b>			
Obligatory reserve funds revenue recognized (Note 3)	519,542	589,282	1,127,683
Annual surplus	2,529,893	2,865,732	4,261,022
Accumulated surplus, beginning of the year	<u>72,674,974</u>	<u>72,674,974</u>	<u>68,413,952</u>
Accumulated surplus, end of the year	<u>\$ 75,204,867</u>	<u>\$ 75,540,706</u>	<u>\$ 72,674,974</u>

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

For the year ended December 31	2023 Budget (Note 11)	2023 Actual	2022 Actual
Annual surplus	\$ 2,529,893	\$ 2,865,732	\$ 4,261,022
Acquisition of tangible capital assets	(22,805,846)	(18,258,145)	(8,866,938)
Amortization of tangible capital assets	3,434,455	3,434,455	2,965,876
Loss (gain) on disposal of tangible capital assets	-	29,134	(648,500)
Proceeds on disposal of tangible capital assets	71,650	20,198	728,535
	<u>(16,769,848)</u>	<u>(11,908,626)</u>	<u>(1,560,005)</u>
Decrease (increase) in inventory	-	10,183	(45,630)
Decrease in prepaid expenses	-	23,723	58,678
	<u>-</u>	<u>33,906</u>	<u>13,048</u>
Net change in net financial assets	(16,769,848)	(11,874,720)	(1,546,957)
Net financial assets, beginning of the year	<u>7,988,268</u>	<u>7,988,268</u>	<u>9,535,225</u>
Net financial assets (net debt), end of the year	<u>\$ (8,781,580)</u>	<u>\$ (3,886,452)</u>	<u>\$ 7,988,268</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 Cash Flows

For the year ended December 31	2023	2022
Operating transactions		
Annual surplus	\$ 2,865,732	\$ 4,261,022
Items not affecting cash:		
Amortization of tangible capital assets	3,434,455	2,965,876
Loss (gain) on disposal of tangible capital assets	29,134	(648,500)
	<u>6,329,321</u>	<u>6,578,398</u>
Changes in non-cash operating balances:		
Increase in taxes receivable	(329,477)	(154,801)
Increase in accounts receivable	(940,556)	(218,915)
Decrease (increase) in long-term receivables	18,281	(9,280)
Increase in accounts payable and accrued liabilities	2,308,122	2,245,351
(Decrease) increase in other current liabilities	(425,629)	859,301
Decrease in landfill closure and post-closure	(140,326)	(152,834)
Increase (decrease) in deferred revenue	234,823	(511,826)
Decrease (increase) in inventory	10,183	(45,630)
Decrease in prepaid expenses	23,723	58,678
	<u>7,088,465</u>	<u>8,648,442</u>
Capital transactions		
Acquisition of tangible capital assets	(18,258,145)	(8,866,938)
Proceeds on disposal of tangible capital assets	20,198	728,535
	<u>(18,237,947)</u>	<u>(8,138,403)</u>
Investing transactions		
Change in investments	-	(2,907)
Financing transactions		
Repayment of long-term liabilities	(299,891)	(296,104)
Net (decrease) increase in cash	(11,449,373)	211,028
Cash, beginning of the year	<u>16,954,042</u>	<u>16,743,014</u>
Cash, end of the year	<u>\$ 5,504,669</u>	<u>\$ 16,954,042</u>

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

December 31, 2023

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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>

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

December 31, 2023

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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, 2023

1. Investments

	2023	2022
Guaranteed investment certificates, 3.36% to 3.87%, maturing no later than April 2025.	\$ 134,924	\$ 134,924

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	2023 Accrued liabilities	2022 Accrued liabilities
Boyne landfill site	\$ 1,925,138	\$ 1,925,138	\$ 2,065,464

The estimated remaining capacity of the landfill site, being a percentage of the total estimated capacity and the estimated remaining life of the sites is 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

The solid waste closure and post-closure liabilities have not been recalculated following the guidance for asset retirement obligations as required by *PS 3280 Asset Retirement Obligations*. The liabilities may be understated by the amounts relating to the recalculation of asset retirement obligations.

Corporation of the Township of North Dundas  
Notes to Financial Statements

December 31, 2023

3. Deferred Revenue

	2023	2022
Obligatory Reserve Funds		
Development charges	\$ 1,266,779	\$ 1,161,927
Recreational land	349,556	373,396
Federal Gas Tax	15,125	13,868
Ontario Community Infrastructure Fund (OCIF)	26,036	17,508
Other		
Building code act	717,854	498,594
Deposits	58,154	133,388
	\$ 2,433,504	\$ 2,198,681

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	\$ 1,161,927	\$ 373,396	\$ 13,868	\$ 17,508
Restricted funds received during the year	544,663	25,000	373,235	479,667
Interest earned	79,731	20,900	1,257	-
Revenue recognized during the year	(519,542)	(69,740)	(373,235)	(471,139)
	\$ 1,266,779	\$ 349,556	\$ 15,125	\$ 26,036

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Corporation of the Township of North Dundas  
Notes to Financial Statements

December 31, 2023

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4. Net Long-Term Liabilities

	2023	2022
Loan, 2.24%, due April 2030, payable by monthly instalments of \$3,475, principal plus interest (Winchester arena slab).	264,091	305,789
Loan, 2.24%, due April 2030, payable by monthly instalments of \$3,326, principal plus interest (Chesterville arena upgrades).	252,771	292,683
Tile drainage loans bear interest at 6% and are repayable in annual instalments. The loans are due between 2022 and 2029 and are recoverable from benefiting landowners.	43,875	62,156
Debentures, 2.27%, maturing December 2031, payable by monthly instalments of \$16,666, principal only.	1,600,000	1,800,000
	<b>\$ 2,160,737</b>	<b>\$ 2,460,628</b>

The principal payments for the next five years amount to: 2024, \$281,610; 2025, \$281,610; 2026, \$281,610; 2027, \$281,610; 2028, \$281,610.

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## Corporation of the Township of North Dundas Notes to Financial Statements

December 31, 2023

### 5. Tangible Capital Assets

	2023				
	Land	Land improvements and landfill sites	Buildings	Roads, sidewalks and bridges	Equipment, furniture and machinery
Cost, beginning of year	\$ 2,389,325	\$ 10,920,387	\$ 10,833,530	\$ 45,869,582	\$ 6,481,435
Acquisitions of tangible capital assets	-	521,621	223,546	2,685,859	875,257
Disposals of tangible capital assets	(4,000)	-	-	(469,117)	(172,959)
<b>Cost, end of year</b>	<b>2,385,325</b>	<b>11,442,008</b>	<b>11,057,076</b>	<b>48,086,324</b>	<b>7,183,733</b>
Accumulated amortization, beginning of year	-	3,644,673	4,970,683	20,684,548	3,517,383
Amortization of tangible capital assets	-	261,649	288,339	1,657,456	403,117
Disposals of tangible capital assets	-	-	-	(442,558)	(163,255)
<b>Accumulated amortization, end of year</b>	<b>-</b>	<b>3,906,322</b>	<b>5,259,022</b>	<b>21,899,446</b>	<b>3,757,245</b>
<b>Net carrying amount, end of year</b>	<b>\$ 2,385,325</b>	<b>\$ 7,535,686</b>	<b>\$ 5,798,054</b>	<b>\$ 26,186,878</b>	<b>\$ 3,426,488</b>

	Water infrastructure	Sewer infrastructure	Vehicles	Total
Cost, beginning of year	\$ 16,522,420	\$ 9,597,918	\$ 6,191,539	\$ 108,806,136
Acquisitions of tangible capital assets	3,292,638	10,398,294	260,930	18,258,145
Disposals of tangible capital assets	(5,821)	(9,976)	(187,401)	(849,274)
<b>Cost, end of year</b>	<b>19,809,237</b>	<b>19,986,236</b>	<b>6,265,068</b>	<b>126,215,007</b>
Accumulated amortization, beginning of year	5,399,992	3,420,241	2,660,177	44,297,697
Amortization of tangible capital assets	289,772	140,836	393,286	3,434,455
Disposals of tangible capital assets	(4,483)	(2,245)	(187,401)	(799,942)
<b>Accumulated amortization, end of year</b>	<b>5,685,281</b>	<b>3,558,832</b>	<b>2,866,062</b>	<b>46,932,210</b>
<b>Net carrying amount, end of year</b>	<b>\$ 14,123,956</b>	<b>\$ 16,427,404</b>	<b>\$ 3,399,006</b>	<b>\$ 79,282,797</b>

## Corporation of the Township of North Dundas Notes to Financial Statements

December 31, 2023

### 5. Tangible Capital Assets (continued)

	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	

The book value of tangible capital assets not being amortized because they are under construction is \$18,379,893 (2022 - \$4,944,212).

The tangible capital assets have not been assessed for asset retirement obligations as required by PS 3280 Asset Retirement Obligations. The assets listed may be understated by the amounts of any existing asset retirement obligations.



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Corporation of the Township of North Dundas  
Notes to Financial Statements

December 31, 2023

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6. Other Revenues

	2023 Budget	2023 Actual	2022 Actual
Donations	\$ 230,997	\$ 139,993	\$ 237,090
Interest and penalties on taxes	290,000	321,798	294,300
Interest income	386,000	568,671	382,663
	\$ 906,997	\$ 1,030,462	\$ 914,053

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7. Expenses by Object

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

	2023	2022
Amortization of tangible capital assets	\$ 3,434,455	\$ 2,961,990
Contracted services	2,294,580	2,275,048
Contributions to other organizations	281,020	268,167
Loss (gain) on disposal of tangible capital assets	29,134	(648,500)
Materials	4,078,414	3,170,987
Rents and financial expenses	79,380	165,350
Salaries, wages and benefits	5,707,059	5,085,707
	\$15,904,042	\$ 13,278,749

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## Corporation of the Township of North Dundas Notes to Financial Statements

December 31, 2023

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### 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 600,000 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, 2023. The results of this valuation disclosed total actuarial liabilities of \$136,185 million in respect of benefits accrued for service with fair market assets at that date of \$131,983 million indicating an actuarial deficit of \$4,202 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 2023 was \$325,493 (2022 - \$294,522).

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### 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>2023</u>	<u>2022</u>
School boards	<u>\$ 3,842,983</u>	<u>\$ 3,822,473</u>
United Counties of Stormont, Dundas and Glengarry	<u>\$10,966,359</u>	<u>\$ 10,458,410</u>

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Corporation of the Township of North Dundas  
Notes to Financial Statements

December 31, 2023

10. Accumulated Surplus

	2023	2022
Reserves		
Working fund	\$ 3,380,966	\$ 2,928,804
Fire	547,110	477,387
Recreation and culture	228,921	355,957
Roads	557,171	688,834
Sewer and water	4,904,817	5,084,425
Waste management	343,309	211,557
Other	248,488	244,388
	10,210,782	9,991,352
Reserve funds		
Association and events	160,889	207,956
Infrastructure	-	2,062,536
Recreation and culture	34,993	36,152
Sewer and Water	1,493,866	1,087,339
South Mountain Union Cemetery	19,124	18,577
Waste management	581,039	551,154
	2,289,911	3,963,714
Investment in tangible capital assets		
Invested in tangible capital assets	79,282,797	64,508,439
Unfinanced tangible capital assets	(12,200,784)	(1,324,595)
Related net long-term liabilities	(2,116,862)	(2,398,472)
	64,965,151	60,785,372
Unfinanced landfill closure and post-closure	(1,925,138)	(2,065,464)
Accumulated surplus	\$ 75,540,706	\$ 72,674,974

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## Corporation of the Township of North Dundas Notes to Financial Statements

December 31, 2023

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### 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>2023</u>
Budget for the year	\$ -
Add:	
Acquisition of tangible capital assets	22,805,846
Repayment of long-term liabilities	118,390
Less:	
Proceeds on disposal of tangible capital assets	(71,650)
Proceeds on issuance of long-term liabilities	(9,572,524)
Amortization of tangible capital assets	<u>(3,434,455)</u>
Budgeted surplus per statement of operations	<u>\$ 9,845,607</u>

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### 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 began in August 2023, with the project scheduled for completion in April 2025. The amount agreed upon for those services is \$13,639,031.

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Corporation of the Township of North Dundas  
Notes to Financial Statements

December 31, 2023

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12. Commitments (continued)

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

2024	\$ 9,460,441
2025	\$ 3,230,879
2026	\$ 1,093,371
2027	\$ 944,218
2028	\$ 962,499

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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.

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14. Comparative Figures

Certain figures for the previous year have been reclassified to conform to the presentation adopted in the current year.

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# Corporation of the Township of North Dundas

## Notes to Financial Statements

December 31, 2023

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### 15. 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

15. Segmented Information (continued)

For the year ended December 31	Environmental	Planning and Development	Protection	Recreation and Cultural	Transportation	General Government	2023 total
<b>Revenues</b>							
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,211,138	\$ 8,211,138
User charges	4,268,489	329,736	342,174	705,430	37,626	520,697	6,204,152
Government transfers - Federal	-	-	-	52,080	379,745	222,807	654,632
Government transfers - Provincial	-	46,111	5,603	-	562,327	1,107,250	1,721,291
Government transfers - Other municipalities	4,630	35,184	15,733	20,523	281,690	1,057	358,817
Other revenues (Note 6)	21,923	-	55,093	71,352	184,740	697,354	1,030,462
Obligatory reserve funds revenue (Note 3)	1,551	5,338	-	1,900	-	580,493	589,282
	<u>4,296,593</u>	<u>416,369</u>	<u>418,603</u>	<u>851,285</u>	<u>1,446,128</u>	<u>11,340,796</u>	<u>18,769,774</u>
<b>Expenses</b>							
Amortization of tangible capital assets	674,143	391	273,665	323,180	2,066,265	96,811	3,434,455
Contracted services	1,059,348	293,437	152,197	112,070	356,816	320,712	2,294,580
Contributions to other organizations	-	60,710	104,401	81,048	-	34,861	281,020
(Gain) loss on disposal of tangible capital assets	13,794	(6,565)	3,488	(650)	19,067	-	29,134
Materials	668,167	54,278	404,177	1,147,745	1,279,462	524,585	4,078,414
Rents and financial expenses	1,230	640	640	17,946	48,132	10,792	79,380
Salaries, wages and benefits	872,872	306,277	1,052,114	1,261,118	1,243,671	971,007	5,707,059
	<u>3,289,554</u>	<u>709,168</u>	<u>1,990,682</u>	<u>2,942,457</u>	<u>5,013,413</u>	<u>1,958,768</u>	<u>15,904,042</u>
Annual surplus (deficit)	<u>\$ 1,007,039</u>	<u>\$ (292,799)</u>	<u>\$ (1,572,079)</u>	<u>\$ (2,091,172)</u>	<u>\$ (3,567,285)</u>	<u>\$ 9,382,028</u>	<u>\$ 2,865,732</u>

Corporation of the Township of North Dundas  
Notes to Financial Statements

December 31

15. Segmented Information (continued)

For the year ended December 31	Environmental	Planning and Development	Protection	Recreation and Cultural	Transportation	General Government	2022
<b>Revenues</b>							
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,484,411	\$ 7,484,411
User charges	3,426,478	217,879	344,616	579,870	43,935	483,247	5,096,025
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	22,187	459,914
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
	<u>3,456,980</u>	<u>300,070</u>	<u>416,784</u>	<u>833,562</u>	<u>2,795,475</u>	<u>9,736,900</u>	<u>17,539,771</u>
<b>Expenses</b>							
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
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
	<u>3,023,530</u>	<u>730,937</u>	<u>1,665,815</u>	<u>2,507,111</u>	<u>3,576,050</u>	<u>1,775,306</u>	<u>13,278,749</u>
Annual surplus (deficit)	\$ 433,450	\$ (430,867)	\$ (1,249,031)	\$ (1,673,549)	\$ (780,575)	\$ 7,961,594	\$ 4,261,022