

Financial Statements of

**THE MUNICIPALITY OF
MCDOUGALL**

And Independent Auditor's Report thereon

Year ended December 31, 2023

Management's Responsibility for the Financial Statements

The accompanying financial statements of The Municipality of McDougall (the "Municipality") are the responsibility of the Municipality's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the Municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's financial statements.



Sheri Brisbane
Chief Financial Officer



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of The Municipality of McDougall

Opinion

We have audited the financial statements of The Municipality of McDougall (the Municipality), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and the notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2023, and its results of operations and accumulated surplus, its changes 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 responsibility under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.



Emphasis of Matter – Comparative Information

We draw attention to Note 2 to the financial statements (“Note 2”), which explains that certain comparative information presented for the year ended December 31, 2022 has been restated as a result of the modified retroactive adoption of the asset retirement obligation standard. Note 2 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022 as a result of a change in accounting policy. In our opinion, such adjustments are appropriate and have been properly applied.

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

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

Those charged with governance are responsible for overseeing the Municipality’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 the financial statements.



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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 risk 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, internal 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 purposes of expressing an opinion on the effectiveness of the Municipality'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 the events or conditions that may cast significant doubt on the Municipality'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 Municipality 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

July 19, 2024

THE MUNICIPALITY OF MCDOUGALL

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THE MUNICIPALITY OF MCDOUGALL

Statement of Financial Position

December 31, 2023, with comparative information for 2022

| | 2023 | 2022 |
|--|-------------------|------------------------|
| | | (Restated - note 2) |
| Financial Assets | | |
| Cash | \$ 6,701,562 | \$ 6,688,553 |
| User charges receivable | 95,147 | 82,522 |
| Taxes receivable (note 3) | 615,840 | 466,169 |
| Accounts receivable | 378,740 | 456,601 |
| | <u>7,791,289</u> | <u>7,693,845</u> |
| Financial Liabilities | | |
| Accounts payable and accrued liabilities | 1,059,636 | 861,046 |
| Deferred revenue | 269,989 | 120,618 |
| Deferred revenue - obligatory reserve funds (note 4) | 390,235 | 250,518 |
| Long-term debt (note 5) | 799,305 | 898,013 |
| Asset retirement obligation (note 6) | 965,766 | 937,899 |
| | <u>3,484,931</u> | <u>3,068,094</u> |
| Net financial assets | 4,306,358 | 4,625,751 |
| Non-Financial Assets | | |
| Tangible capital assets (note 7) | 42,635,365 | 41,430,757 |
| Prepaid expenses | 29,613 | 35,504 |
| | <u>42,664,978</u> | <u>41,466,261</u> |
| Contingencies (note 14) | | |
| Accumulated surplus (note 8) | \$ 46,971,336 | \$ 46,092,012 |

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

Approved by:



Mayor

THE MUNICIPALITY OF MCDougALL

Statement of Operations and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

| | 2023 Budget (note 10) | 2023 Actual | 2022 Actual (Restated - note 2) |
|--|-----------------------------|----------------------|--|
| Revenue: | | | |
| Taxation | \$ 5,031,300 | \$ 5,067,800 | \$ 4,769,263 |
| Fees and user charges | 1,972,339 | 2,317,165 | 2,139,081 |
| Government grants | 1,804,015 | 1,215,078 | 1,595,145 |
| Investment income | 60,000 | 317,986 | 123,264 |
| Other | 146,999 | 230,428 | 164,447 |
| Loss on disposal of tangible capital assets | - | (932) | (7,660) |
| Total revenue | 9,014,653 | 9,147,525 | 8,783,540 |
| Expenses: | | | |
| General government | 1,363,744 | 1,324,368 | 1,254,418 |
| Protection of persons and property | 1,306,289 | 1,304,405 | 1,235,834 |
| Transportation services | 2,523,132 | 2,478,312 | 2,581,602 |
| Environmental services | 1,873,134 | 1,915,295 | 1,901,510 |
| Health services | 353,987 | 350,196 | 338,079 |
| Social and family services | 439,539 | 439,539 | 427,205 |
| Recreation and cultural services | 449,825 | 345,891 | 358,969 |
| Planning and development | 205,167 | 110,195 | 62,203 |
| Total expenses | 8,514,817 | 8,268,201 | 8,159,820 |
| Annual surplus | 499,836 | 879,324 | 623,720 |
| Accumulated surplus, beginning of year | 46,092,012 | 46,092,012 | 45,162,242 |
| Adjustment on adoption of the asset retirement obligation standard (note 2) | - | - | 306,050 |
| Accumulated surplus, end of year | \$ 46,591,848 | \$ 46,971,336 | \$ 46,092,012 |

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

THE MUNICIPALITY OF MCDOUGALL

Statement of Changes in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

| | 2023 Budget (note 10) | 2023 Actual | 2022 Actual |
|---|-----------------------------|----------------|----------------|
| Annual surplus | \$ 499,836 | \$ 879,324 | \$ 623,720 |
| Acquisition of tangible capital assets | (3,089,128) | (2,771,484) | (1,393,080) |
| Amortization of tangible capital assets | 1,588,628 | 1,565,944 | 1,588,628 |
| Loss (gain) on sale of tangible capital assets | - | 932 | 7,660 |
| Proceeds on sale of tangible capital assets | - | - | - |
| Change in prepaid expenses | - | 5,891 | (4,692) |
| Change in net financial assets | (1,000,664) | (319,393) | 822,236 |
| Net financial assets, beginning of year | 4,625,751 | 4,625,751 | 3,670,359 |
| Adjustment on adoption of the asset retirement obligation standard (note 2) | - | - | 133,156 |
| Net financial assets, end of year | \$ 3,625,087 | \$ 4,306,358 | \$ 4,625,751 |

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

THE MUNICIPALITY OF MCDOUGALL

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

| | 2023 | 2022 (Restated - note 2) |
|---|---------------------|--------------------------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Annual surplus | \$ 879,324 | \$ 623,720 |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 1,565,944 | 1,588,628 |
| Loss on sale of tangible capital assets | 932 | 7,660 |
| Accretion expense | 27,867 | 27,055 |
| | <u>2,474,067</u> | <u>2,247,063</u> |
| Change in non-cash assets and liabilities: | | |
| Increase in taxes receivable | (149,671) | (11,477) |
| Decrease (increase) in user charges receivable | (12,625) | 32,573 |
| Decrease in accounts receivable | 77,861 | 68,805 |
| Decrease (increase) in prepaid expenses | 5,891 | (4,692) |
| Increase (decrease) in accounts payable and accrued liabilities | 198,590 | (286,224) |
| Increase in deferred revenue | 149,371 | 120,618 |
| Increase in deferred revenue - obligatory reserve funds | 139,717 | 84,161 |
| | <u>2,883,201</u> | <u>2,250,827</u> |
| Financing activities: | | |
| Principal repayments on net long-term liabilities | (98,708) | (307,977) |
| | <u>(98,708)</u> | <u>(307,977)</u> |
| Investing activities: | | |
| Principal repayments received on water capital debenture | - | 31,154 |
| | <u>-</u> | <u>31,154</u> |
| Capital activities: | | |
| Acquisition of tangible capital assets | (2,771,484) | (1,393,080) |
| | <u>(2,771,484)</u> | <u>(1,393,080)</u> |
| Net change in cash | 13,009 | 580,924 |
| Cash, beginning of year | 6,688,553 | 6,107,629 |
| Cash, end of year | <u>\$ 6,701,562</u> | <u>\$ 6,688,553</u> |

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

THE MUNICIPALITY OF MCDOUGALL

Notes to Financial Statements

Year ended December 31, 2023

The Municipality of McDougall (the "Municipality") is a single-tier municipal corporation located in the District of Parry Sound, Ontario. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and other related legislation.

1. Significant accounting policies:

The financial statements of the Municipality are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Reporting entity:

These financial statements reflect the assets, liabilities, revenues, expenses and fund balances of the reporting entity. The following joint board is not consolidated:

Parry Sound Area Industrial Park

(b) Basis of accounting:

Sources of financing and expenses are reported on the accrual basis of accounting.

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

(c) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the tangible capital asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

| Asset | Useful Life - Years |
|-----------------------------|---------------------|
| Land improvements | 20 - 75 |
| Buildings | 15 - 50 |
| Machinery and equipment | 5 - 20 |
| Vehicles | 5 - 20 |
| Roads, bridges and culverts | 4 - 75 |
| Water and sewer | 15 - 50 |

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

THE MUNICIPALITY OF MCDougALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(c) Tangible capital assets (continued):

(i) Contributions of tangible capital assets:

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

(ii) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(iii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(iv) Interest capitalization:

The Municipality capital asset policy does not allow for the capitalization of interest costs associated with the acquisition or construction of tangible capital assets.

(d) Revenue recognition:

The Municipality prepares tax billings based on assessment rolls issued by Municipal Property Assessment Corporation, in accordance with rates established and approved annually by Council and the Province of Ontario. Taxation revenue is recognized in the period in which the taxes are levied.

Government transfers are recognized in the period in which the events giving rise to the transfer occurred, provided that the transfer is authorized and the amount can be reasonably estimated. Government grants are recognized when approved to the extent the related expenses have been incurred and collection can be reasonably assured.

User fees and other revenues are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided.

(e) Deferred revenue – obligatory reserve funds:

The Municipality receives certain contributions under the authority of federal and provincial legislation. These contributions are restricted in their use and, until spent on qualifying projects or expenses, are recorded as deferred revenue.

THE MUNICIPALITY OF MCDOUGALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include valuation allowances for taxes and user charges receivable, accounts receivable, and estimating provisions for accrued liabilities and landfill closure and post-closure liabilities. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

In addition, the Municipality's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

(g) School boards:

The Municipality collects taxation revenue on behalf of the school boards. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements.

(h) Pensions and employee benefits:

The Municipality accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. Vacation entitlements are accrued for as entitlements are earned.

(i) Asset retirement obligation:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that the future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in one building owned by the Municipality has also been recognized based on estimated future expenses on closure of the site and post-closure care.

THE MUNICIPALITY OF MCDougALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(i) Asset retirement obligation (continued):

The liability is discounted using a present value calculation and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined in note 1(c).

2. Change in accounting policies:

The Municipality adopted the following standards concurrently beginning January 1, 2022 prospectively: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS 3450 *Financial Instruments*.

PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses. PS 3041 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* no longer applies.

PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

THE MUNICIPALITY OF MCDOUGALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Change in accounting policies (continued):

Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date.

Fair value hierarchy:

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. There was no impact from the adoption of this standard.

PS 3280 Asset Retirement Obligations:

On January 1, 2022, the Municipality adopted Public Accounting Standard PS 3280 *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability*. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

The Municipality removed the landfill liability that had been recognized to date and recognized an asset retirement obligation upon adoption of PS 3280 on January 1, 2022, using the modified retrospective method. The liability represents the required closure and post-closure care for the landfill site owned by the Municipality. The liability is measured as of the date of purchase of the site, when the liability was assumed. As of the date of adoption of the standard, the relevant discount rate is 3% per annum.

THE MUNICIPALITY OF MCDOUGALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Change in accounting policies (continued):

PS 3280 *Asset Retirement Obligations* (continued):

On January 1, 2022, the Municipality recognized an additional asset retirement obligation relating to a building owned by the Municipality that may contain asbestos. The building was originally purchased in 1974, and the liability was measured as of the date of purchase of the buildings when the liability was assumed. The building has an expected useful life of 40 years, and the estimate has not been changed since purchase.

In accordance with the provisions of this new standard, the Municipality reflected the following adjustments at January 1, 2022:

(a) Landfill obligation:

- (i) A decrease of \$1,044,000 to landfill closure liabilities to remove the liability recognized to date under the old standard, and an accompanying increase of \$1,044,000 to opening Accumulated Surplus.
- (ii) An increase of \$340,019 to the landfill capital asset account, representing the original estimate of the obligation as of the commencement of the use of the landfill, and an accompanying increase of \$167,484 to accumulated amortization, representing increased amortization for the landfill had the liability originally been recognized.
- (iii) An asset retirement obligation in the amount of \$901,844, representing the original obligation discounted to the present value amount using a rate of 3%.
- (iv) A decrease to opening accumulated surplus of \$729,309, as a result of the recognition of the liability and accompanying increase in amortization expense and accretion expense for the years since purchase of the landfill sites.

Furthermore, the Municipality reflected the following adjustment at December 31, 2022:

- (i) A decrease of \$312,000 to landfill closure liabilities to remove the adjustment to the liability recognized at December 31, 2022 under the old standard, and an accompanying decrease of \$312,000 to environmental expenses.
- (ii) An increase to the asset retirement obligation of \$27,055, and an accompanying increase to environmental expenses representing the annual accretion of the asset retirement obligation.
- (iii) An increase to amortization expense of \$5,075, and an accompanying increase to accumulated amortization, representing the amortization of the increased landfill capital asset.

THE MUNICIPALITY OF MCDOUGALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Change in accounting policies (continued):

PS 3280 *Asset Retirement Obligations* (continued):

(b) Asbestos obligation:

- (i) An increase of \$9,000 to the building capital asset account, representing the original estimate of the obligation as of the date of purchase, and an accompanying increase of \$8,640 to accumulated amortization, representing 40 years of increased amortization had the liability originally been recognized.
- (ii) An asset retirement obligation in the amount of \$9,000, representing an estimate of the current obligation.
- (ii) A decrease to accumulated surplus of \$8,640, as a result of the recognition of the liability and accompanying increase in amortization expense.

Furthermore, the Municipality reflected the following adjustment at December 31, 2022:

- (i) An increase to amortization expense of \$180, and an accompanying increase to accumulated amortization, representing the amortization of the increased building capital asset.

3. Taxes receivable:

| | 2023 | 2022 |
|---------------------------------|------------|------------|
| Current | \$ 270,577 | \$ 214,399 |
| Past due | 284,420 | 205,876 |
| Penalties and interest | 70,843 | 55,894 |
| Allowance for doubtful accounts | (10,000) | (10,000) |
| | \$ 615,840 | \$ 466,169 |

4. Deferred revenue – obligatory reserve funds:

A requirement of the Canadian public sector accounting standards is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded.

THE MUNICIPALITY OF MCDougALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

4. Deferred revenue – obligatory reserve funds (continued):

The balances in the obligatory reserve funds of the Municipality are summarized below:

| | 2023 | 2022 |
|---|------------|------------|
| Deferred revenue, beginning of year | \$ 250,518 | \$ 166,357 |
| Contributions received during the year | 233,840 | 80,390 |
| Interest earned on obligatory reserve funds | 10,502 | 3,771 |
| Recognized as revenue during the year | (104,625) | – |
| Deferred revenue, end of year | \$ 390,235 | \$ 250,518 |

| | 2023 | 2022 |
|--|------------|------------|
| Deferred revenue – obligatory reserve consists of the following: | | |
| Parkland reserves | \$ 140,074 | \$ 179,197 |
| Federal gas tax | 250,161 | 71,321 |
| | \$ 390,235 | \$ 250,518 |

5. Long-term debt:

The balance of long-term debt is comprised of the following:

| | 2023 | 2022 |
|---|------------|------------|
| Loan payable to Ontario Infrastructure Projects Corporation due February 2031, repayable in blended monthly payments of \$10,323 at an interest rate of 2.95% per annum | \$ 799,305 | \$ 898,013 |

The principal repayments are as follows:

| | |
|------------|------------|
| 2024 | \$ 101,660 |
| 2025 | 104,700 |
| 2026 | 107,830 |
| 2027 | 111,055 |
| 2028 | 114,376 |
| Thereafter | 259,684 |
| | \$ 799,305 |

THE MUNICIPALITY OF MCDougALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Asset retirement obligation:

The Municipality's asset retirement obligation consists of several obligations as follows:

(a) Landfill obligation:

The Municipality owns and operates a landfill site. The liability for the closure of operational sites and post-closure care has been recognized under PS 3280 *Asset Retirement Obligations*. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 25 years post this date.

The landfill is expected to reach its capacity in 32 years, and the estimated remaining capacity is 457,000 cubic meters, which is 65.5% of the site's total capacity.

Post-closure care for the landfill site is estimated to be required for 25 years from the date of site closure. These costs were discounted to December 31, 2023 using a discount rate of 3% per annum.

(b) Asbestos obligation:

The Municipality owns and operates a building that may contain asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove or remediate it. Following the adoption of PS3280 *Asset Retirement Obligations*, the Municipality recognized an obligation relating to the removal and post-removal care of the asbestos in this building as estimated at January 1, 2022. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate the asbestos containing material in accordance with current legislation.

The transition and recognition of asset retirement obligations involved an accompanying increase to the landfill and building capital assets and the restatement of prior year numbers (see note 2).

Changes to the asset retirement obligation in the year are as follows:

| Asset Retirement Obligation | Landfill closure | Asbestos removal | Balance at December 31, 2023 |
|-----------------------------|------------------|------------------|------------------------------|
| Opening balance | \$ 928,899 | \$ 9,000 | \$ 937,899 |
| Accretion expense | 27,867 | — | 27,867 |
| Closing balance | \$ 956,766 | \$ 9,000 | \$ 965,766 |

THE MUNICIPALITY OF MCDOUGALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Asset retirement obligation (continued):

| Asset Retirement Obligation | Landfill closure | Asbestos removal | Balance at December 31, 2022 |
|--|---------------------|---------------------|------------------------------------|
| Opening balance | \$ — | \$ — | \$ — |
| Adjustment on adoption of the asset retirement obligation standard (note 2) | 901,844 | 9,000 | 910,844 |
| Opening balance as restated | 901,844 | 9,000 | 910,844 |
| Accretion expense | 27,055 | — | 27,055 |
| Closing balance | \$ 928,899 | \$ 9,000 | \$ 937,899 |

THE MUNICIPALITY OF MCDOUGALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

7. Tangible capital assets:

| Cost | Balance at December 31, 2022 | | | Additions | Disposals | Transfers | Balance at December 31, 2023 |
|-----------------------------|------------------------------------|-------------------|-----------|------------------|-----------|------------------|------------------------------------|
| Land | \$ | 3,410,971 | \$ | - | \$ | - | \$ 3,410,971 |
| Land improvements | | 7,766,278 | | 17,987 | | (1,006) | 7,783,259 |
| Buildings | | 5,374,927 | | 850,590 | | - | 6,225,517 |
| Machinery and equipment | | 4,619,971 | | 170,509 | | (14,035) | 4,776,445 |
| Vehicles | | 1,483,012 | | - | | - | 1,483,012 |
| Roads, bridges and culverts | | 31,356,301 | | 455,195 | | (609,572) | 31,201,924 |
| Water and sewer | | 11,911,225 | | - | | - | 11,911,225 |
| Construction in progress | | 334,679 | | 1,277,203 | | - | 1,611,882 |
| Total | \$ | 66,257,364 | \$ | 2,771,484 | \$ | (624,613) | \$ 68,404,235 |

| Accumulated Amortization | Balance at December 31, 2022 | | | Disposals | Amortization | Transfers | Balance at December 31, 2023 |
|-----------------------------|------------------------------------|-------------------|-----------|------------------|--------------|------------------|------------------------------------|
| Land | \$ | - | \$ | - | \$ | - | \$ - |
| Land improvements | | 2,259,939 | | (76) | | 170,479 | 2,430,342 |
| Buildings | | 2,122,736 | | - | | 116,939 | 2,239,675 |
| Machinery and equipment | | 2,876,062 | | (14,035) | | 299,726 | 3,161,753 |
| Vehicles | | 1,045,907 | | - | | 43,768 | 1,089,675 |
| Roads, bridges and culverts | | 10,610,423 | | (609,570) | | 715,695 | 10,716,548 |
| Water and sewer | | 5,911,540 | | - | | 219,337 | 6,130,877 |
| Total | \$ | 24,826,607 | \$ | (623,681) | \$ | 1,565,944 | \$ 25,768,870 |

| | Net book value, December 31, 2022 | | Net book value, December 31, 2023 | |
|-----------------------------|---|-------------------|---|-------------------|
| Land | \$ | 3,410,971 | \$ | 3,410,971 |
| Land improvements | | 5,506,339 | | 5,352,917 |
| Buildings | | 3,252,191 | | 3,985,842 |
| Machinery and equipment | | 1,743,909 | | 1,614,692 |
| Vehicles | | 437,105 | | 393,337 |
| Roads, bridges and culverts | | 20,745,878 | | 20,485,376 |
| Water and sewer | | 5,999,685 | | 5,780,348 |
| Construction in progress | | 334,679 | | 1,611,882 |
| Total | \$ | 41,430,757 | \$ | 42,635,365 |

THE MUNICIPALITY OF MCDOUGALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

7. Tangible capital assets (continued):

| Cost | Balance at December 31, 2021 | Additions | Disposals | Transfers | Balance at December 31, 2022 |
|-----------------------------|------------------------------------|---------------------|---------------------|-------------|------------------------------------|
| Land | \$ 3,410,971 | \$ - | \$ - | \$ - | \$ 3,410,971 |
| Land improvements | 7,766,278 | - | - | - | 7,766,278 |
| Buildings | 5,277,827 | 97,100 | - | - | 5,374,927 |
| Machinery and equipment | 4,351,634 | 324,741 | (56,404) | - | 4,619,971 |
| Vehicles | 1,483,012 | - | - | - | 1,483,012 |
| Roads, bridges and culverts | 31,146,058 | 636,560 | (426,317) | - | 31,356,301 |
| Water and sewer | 11,911,225 | - | - | - | 11,911,225 |
| Construction in progress | - | 334,679 | - | - | 334,679 |
| Total | \$ 65,347,005 | \$ 1,393,080 | \$ (482,721) | \$ - | \$ 66,257,364 |

| Accumulated Amortization | Balance at December 31, 2021 | Disposals | Amortization | Transfers | Balance at December 31, 2022 |
|-----------------------------|------------------------------------|---------------------|---------------------|-------------|------------------------------------|
| Land | \$ - | \$ - | \$ - | \$ - | \$ - |
| Land improvements | 2,090,598 | - | 169,341 | - | 2,259,939 |
| Buildings | 2,017,718 | - | 105,018 | - | 2,122,736 |
| Machinery and equipment | 2,628,463 | (48,744) | 296,343 | - | 2,876,062 |
| Vehicles | 984,517 | - | 61,390 | - | 1,045,907 |
| Roads, bridges and culverts | 10,299,541 | (426,317) | 737,199 | - | 10,610,423 |
| Water and sewer | 5,692,203 | - | 219,337 | - | 5,911,540 |
| Total | \$ 23,713,040 | \$ (475,061) | \$ 1,588,628 | \$ - | \$ 24,826,607 |

| | Net book value, December 31, 2021 | Net book value, December 31, 2022 |
|-----------------------------|---|---|
| Land | \$ 3,410,971 | \$ 3,410,971 |
| Land improvements | 5,675,680 | 5,506,339 |
| Buildings | 3,260,109 | 3,252,191 |
| Machinery and equipment | 1,723,171 | 1,743,909 |
| Vehicles | 498,495 | 437,105 |
| Roads, bridges and culverts | 20,846,517 | 20,745,878 |
| Water and sewer | 6,219,022 | 5,999,685 |
| Construction in progress | - | 334,679 |
| Total | \$ 41,633,965 | \$ 41,430,757 |

THE MUNICIPALITY OF MCDOUGALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

8. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as

| | 2023 | 2022 |
|--|----------------------|----------------------|
| Surplus: | | |
| Invested in tangible capital assets | \$ 40,870,294 | \$ 39,594,845 |
| General surplus (deficit) | 138,743 | 138,965 |
| Total surplus | 41,009,037 | 39,733,810 |
| Reserves set aside for specific purposes by Council: | | |
| Landfill | 2,192,862 | 2,490,485 |
| Capital acquisition | 1,337,630 | 1,227,640 |
| Working capital | 1,216,106 | 1,266,106 |
| Nobel waterworks | 788,463 | 783,789 |
| Safe restart | 111,096 | 137,257 |
| Building | 219,620 | 220,125 |
| Henvey Community | 123,025 | 169,535 |
| Crawford septic system | 58,208 | 53,640 |
| Senior housing | 83,804 | 69,240 |
| Winter control | 75,000 | 40,000 |
| Legal | 56,678 | 38,678 |
| Recreation | 85,666 | 28,961 |
| Waubamik Community Centre | 16,253 | 16,253 |
| Elections | 9,000 | 4,000 |
| WPS Recreation centre and cultural reserve | (501,362) | (187,507) |
| Planning and economic development | 90,250 | - |
| | 5,962,299 | 6,358,202 |
| Accumulated surplus | \$ 46,971,336 | \$ 46,092,012 |

9. Contributions to unconsolidated joint boards:

The following contributions were made to these joint boards:

| | 2023 | 2022 |
|--|-------------------|-------------------|
| District of Parry Sound Social Services | | |
| Administration Board | \$ 348,205 | \$ 336,241 |
| North Bay Parry Sound Health Unit | 82,610 | 84,067 |
| District of Parry Sound (West) Belvedere Heights | | |
| Home for the Aged | 91,334 | 90,964 |
| Parry Sound Area Industrial Park | 14,884 | 14,736 |
| | \$ 537,033 | \$ 526,008 |

THE MUNICIPALITY OF MCDOUGALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

10. Budget:

The budget data presented in these consolidated financial statements is based upon the 2023 operating and capital budgets approved by Council on March 1, 2023. The reconciliation of the approved budget to the budget figures reported in these consolidated financial statements is listed below:

| | 2023 |
|--|-------------------|
| Financial plan (budget) deficit for the year | \$ - |
| Add: | |
| Capital expenditures | 3,089,128 |
| Principal repayments on long-term debt | 98,708 |
| Transfers to reserve | 776,104 |
| | <u>3,963,940</u> |
| Less: | |
| Transfers from reserve | 1,848,421 |
| Amortization | 1,588,628 |
| Landfill adjustment | 27,055 |
| | <u>\$ 499,836</u> |

11. Credit facilities:

The Municipality has an available demand line of credit of \$700,000 in 2023 (2022 - \$700,000). This unsecured line of credit bears interest at the bank's prime rate. At December 31, 2023, \$Nil (2022- \$Nil) has been drawn against this facility.

12. Pension agreements:

OMERS provides pension services to more than 500,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the "Plan") by comparing the actuarial value of 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 going concern actuarial liabilities of \$136,185 million (2022 - \$130,306 million) in respect of benefits accrued for service with total going concern actuarial assets at that date of \$131,983 million (2022 - \$123,628 million) indicating a going concern actuarial deficit of \$4,202 million (2022 - \$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 and the Authority's share is not determinable. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit.

THE MUNICIPALITY OF MCDOUGALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

12. Pension agreements (continued):

The amount contributed to OMERS for 2023 was \$195,633 (2022 - \$169,792) and is included as an expense in the statement of operations and accumulated surplus.

13. Operations of school boards:

During the year, the following taxation revenue was raised and remitted to the school boards:

| | 2023 | 2022 |
|------------------|--------------|--------------|
| Taxation revenue | \$ 1,292,564 | \$ 1,258,264 |

At December 31, 2023, \$12,086 (2022 - \$5,343) was payable to the school boards.

14. Contingencies:

The Municipality is involved in claims and litigation in the normal course of operations. The outcome of these actions are not determinable and, accordingly, no amounts have been reflected in the accounts of the Municipality for this matter. Any settlements or awards will be recorded in the period they become determinable.

15. Public sector salary disclosure:

During 2023, five employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Municipality.

16. Financial instruments:

The Municipality is exposed to various risks through its financial instruments. The following analysis provides information about the Municipality's risk exposure and concentration as of December 31, 2023.

(a) Credit risk:

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Municipality is exposed to credit risk from customers and ratepayers. The Municipality has a significant number of customers and ratepayers which minimizes concentration of credit risk. Further, the Municipality has available to it a tax registration process to recover unpaid municipal taxes by way of forced transfer of properties with multi-year arrears.

THE MUNICIPALITY OF MCDOUGALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

16. Financial instruments (continued):

(a) Credit risk (continued):

There has been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

(b) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Municipality manages exposure through its normal operating and financing activities. The Municipality is exposed to various risks through its financial instruments.

There has been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

17. Segmented information:

The Municipality provides a range of services to its citizens, including police, fire, transportation, recreational and environmental. For management reporting purposes the Municipality's operations and activities are organized and reported by department. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

- (a) **General Government:** includes corporate services and governance of the Municipality. General government is responsible for human resource management, support to Council for policy development, by-law development in compliance with the Municipal Act, tax billing and collection responsibilities, financial management reporting, monitoring and overall budget status is provided as well as frontline reception and customer service.
- (b) **Protection to Persons and Property:** includes policing, fire protection, protective inspection and control and emergency measures. The mandate of the police services contract is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. Fire protection includes detection, extinguishing and suppression services; emergency medical first response; and prevention education and training programs. The members of the fire department consist of volunteers. Inspection and control includes building inspection, by-law enforcement and animal control services.
- (c) **Transportation Services:** this department provides the winter and summer maintenance, the repair and the construction of the municipal roads system including bridges and culverts.

THE MUNICIPALITY OF MCDOUGALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

17. Segmented information (continued):

- (d) Environmental Services: includes the management and maintenance of water system, landfill site, transfer stations, and the waste collection system and disposal system that serves the Municipality.
- (e) Health Services: includes the ambulance contract and public health services as well as the management and maintenance of cemeteries.
- (f) Social and Family Services: includes transfer to joint boards that provide general assistance, assistance to aged persons, child care and social housing.
- (g) Recreation and Cultural Services: provides recreation and leisure programs and facilities, including community halls, libraries, parks, recreation fields and arena. It also provides building maintenance services to all municipal facilities.
- (h) Planning and Development: manages rural development for business interest, environmental concerns, heritage matters, local neighbourhoods and community development. It facilitates economic development by providing services for the approval of all land development plans, the application and enforcement of the zoning by-law and official plan, and the provision of geographic information services.

For each segment separately reported in the schedule below, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. These municipal services are funded primarily by taxation such as property tax revenue. Taxation and payments-in-lieu of taxes are apportioned to these services based on the net surplus. Certain government transfers, transfer from other funds, and other revenue have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1.

THE MUNICIPALITY OF MCDOUGALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

17. Segmented Information (continued)

| | General Government | Protection to Persons and Property | Transportation Services | Environmental Services | Health Services | Social and Family Services | Recreation and Cultural Services | Planning and Development | 2023 Total |
|---|-----------------------|--|----------------------------|---------------------------|--------------------|----------------------------------|--|--------------------------------|---------------|
| Revenues: | | | | | | | | | |
| Fees and user charges | \$ 117,480 | 197,366 | 88,275 | 1,806,656 | - | - | 107,388 | - | \$ 2,317,165 |
| Government grants | 502,792 | 9,103 | 407,846 | 134,233 | - | - | 161,104 | - | 1,215,078 |
| Investment income | 317,986 | - | - | - | - | - | - | - | 317,986 |
| Other | 221,330 | 9,098 | - | - | - | - | - | - | 230,428 |
| Loss on disposal of tangible capital assets | - | - | - | - | - | - | (932) | - | (932) |
| | 1,159,588 | 215,567 | 496,121 | 1,940,889 | - | - | 267,560 | - | 4,079,725 |
| Expenses: | | | | | | | | | |
| Salaries, wages and benefits | 918,076 | 432,731 | 650,569 | 674,986 | - | - | 85,430 | 46,445 | 2,808,237 |
| Interest on long term debt | - | - | 25,164 | - | - | - | - | - | 25,164 |
| Materials | 231,304 | 233,106 | 799,263 | 715,428 | 209 | - | 114,778 | - | 2,094,088 |
| Contracted services | 158,667 | 48,044 | 85,843 | 45,269 | - | - | - | 51,600 | 389,423 |
| Transfer to other governments and the public | - | 493,404 | - | - | 349,987 | 439,539 | 62,398 | 12,150 | 1,357,478 |
| Accretion expense | - | - | - | 27,867 | - | - | - | - | 27,867 |
| Amortization of tangible capital assets | 16,321 | 97,120 | 917,473 | 451,745 | - | - | 83,285 | - | 1,565,944 |
| | 1,324,368 | 1,304,405 | 2,478,312 | 1,915,295 | 350,196 | 439,539 | 345,891 | 110,195 | 8,268,201 |
| Excess (deficiency) of revenues over expenses | (164,780) | (1,088,838) | (1,982,191) | 25,594 | (350,196) | (439,539) | (78,331) | (110,195) | (4,188,476) |
| Funded through: | | | | | | | | | |
| Taxation | | | | | | | | | 5,067,800 |
| Annual surplus | | | | | | | | | \$ 879,324 |

THE MUNICIPALITY OF MCDOUGALL

Notes to Financial Statements (continued)

Year ended December 31, 2023

17. Segmented Information (continued)

| | General Government | Protection to Persons and Property | Transportation Services | Environmental Services | Health Services | Social and Family Services | Recreation and Cultural Services | Planning and Development | 2022 Total |
|---|-----------------------|--|----------------------------|---------------------------|--------------------|----------------------------------|--|--------------------------------|---------------|
| Revenues: | | | | | | | | | |
| Fees and user charges | \$ 123,296 | 269,152 | 95,162 | 1,645,454 | - | - | 6,017 | - | \$ 2,139,081 |
| Government grants | 396,666 | 110,467 | 862,387 | 123,436 | - | - | 102,189 | - | 1,595,145 |
| Investment income | 123,264 | - | - | - | - | - | - | - | 123,264 |
| Other | 155,820 | 8,627 | - | - | - | - | - | - | 164,447 |
| Loss on disposal of tangible capital assets | - | (7,660) | - | - | - | - | - | - | (7,660) |
| | 799,046 | 380,586 | 957,549 | 1,768,890 | - | - | 108,206 | - | 4,014,277 |
| Expenses: | | | | | | | | | |
| Salaries, wages and benefits | 853,473 | 411,498 | 619,679 | 651,520 | - | - | 102,226 | - | 2,638,396 |
| Interest on long term debt | - | - | 29,154 | (607) | - | - | - | - | 28,547 |
| Materials | 206,100 | 197,832 | 905,697 | 710,457 | - | - | 103,320 | - | 2,123,406 |
| Contracted services | 168,770 | 33,941 | 85,713 | 68,928 | - | - | - | 47,954 | 405,306 |
| Transfer to other governments and the public | - | 503,869 | - | - | 338,079 | 427,205 | 65,080 | 14,249 | 1,348,482 |
| Accretion expense | - | - | - | 27,055 | - | - | - | - | 27,055 |
| Amortization of tangible capital assets | 26,075 | 88,694 | 941,359 | 444,157 | - | - | 88,343 | - | 1,588,628 |
| | 1,254,418 | 1,235,834 | 2,581,602 | 1,901,510 | 338,079 | 427,205 | 358,969 | 62,203 | 8,159,820 |
| Deficiency of revenues over expenses | (455,372) | (855,248) | (1,624,053) | (132,620) | (338,079) | (427,205) | (250,763) | (62,203) | (4,145,543) |
| Funded through: | | | | | | | | | |
| Taxation | | | | | | | | | 4,769,263 |
| Annual surplus | | | | | | | | | \$ 623,720 |