

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

Draft March 11, 2024

**CORPORATION OF THE TOWNSHIP OF  
DOURO-DUMMER**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

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*Draft March 11, 2024*



## **CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**For The Year Ended December 31, 2021**

### **MANAGEMENT REPORT**

The accompanying consolidated financial statements of the Corporation of the Township of Douro-Dummer are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Township maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Township's assets are appropriately accounted for and adequately safeguarded.

The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Douro-Dummer. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

The consolidated financial statements have been audited by Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Baker Tilly KDN LLP has full and free access to Council.

March 19, 2024

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Mayor

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Treasurer

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Douro-Dummer**

#### *Opinion*

We have audited the consolidated financial statements of the Corporation of the Township of Douro-Dummer and its local board (the Township), which comprise the consolidated statement of financial position as at December 31, 2021, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2021, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Township to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
March 19, 2024

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2021

|  | 2021<br>\$        | 2020<br>\$        |
|--|-------------------|-------------------|
| <b>FINANCIAL ASSETS</b>                              |                   |                   |
| Cash   | 4,445,773         | 3,734,646         |
| Investments (note 3)                                 | 3,970,491         | 3,918,109         |
| Accounts receivable                                  | 420,161           | 361,797           |
| Taxes receivable                                     | 704,715           | 767,080           |
| Land held for resale                                 | 83,487            | 83,487            |
| <b>TOTAL FINANCIAL ASSETS</b>                        | <b>9,624,627</b>  | <b>8,865,119</b>  |
| <b>LIABILITIES</b>                                   |                   |                   |
| Accounts payable                                     | 1,141,542         | 1,021,369         |
| Deferred revenue - obligatory reserve funds (note 6) | 912,079           | 625,177           |
| Deferred revenue - other (note 5)                    | 26,051            | 199,925           |
| Landfill closure and post-closure liability (note 4) | 182,000           | 277,000           |
| Employee future benefits (note 7)                    | 136,520           | 138,681           |
| <b>TOTAL LIABILITIES</b>                             | <b>2,398,192</b>  | <b>2,262,152</b>  |
| <b>NET FINANCIAL ASSETS</b>                          | <b>7,226,435</b>  | <b>6,602,967</b>  |
| <b>NON-FINANCIAL ASSETS</b>                          |                   |                   |
| Tangible capital assets (note 8)                     | 27,310,951        | 26,696,918        |
| Prepaid expenses                                     | 20,186            | 18,143            |
| Inventories of materials and supplies                | 318,162           | 272,771           |
| <b>TOTAL NON-FINANCIAL ASSETS</b>                    | <b>27,649,299</b> | <b>26,987,832</b> |
| <b>ACCUMULATED SURPLUS (note 9)</b>                  | <b>34,875,734</b> | <b>33,590,799</b> |

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2021

|  | Budget<br>2021<br>\$<br>(Unaudited) | Actual<br>2021<br>\$ | Actual<br>2020<br>\$ |
|--|-------------------------------------|----------------------|----------------------|
| <b>REVENUES</b>                                |                                     |                      |                      |
| Property taxation                              | 5,801,600                           | 5,764,328            | 5,514,714            |
| User charges                                   | 719,714                             | 1,224,078            | 580,290              |
| Government of Canada                           | 80,000                              | 52,321               | 33,611               |
| Province of Ontario                            | 1,106,566                           | 1,056,307            | 946,594              |
| Other municipalities                           | 10,400                              | 7,650                | 12,350               |
| Penalty and interest on taxes                  | 120,000                             | 124,716              | 97,879               |
| Investment income                              | 108,000                             | 90,895               | 133,154              |
| Donations                                      | 281                                 | 7,350                | 183                  |
| Other grants                                   | -                                   | 51,117               | -                    |
| Developer contributions earned                 | -                                   | 92,871               | 39,484               |
| Federal gas tax earned                         | 212,777                             | 212,777              | 427,765              |
| <b>TOTAL REVENUES</b>                          | <b>8,159,338</b>                    | <b>8,684,410</b>     | <b>7,786,024</b>     |
| <b>EXPENSES</b>                                |                                     |                      |                      |
| General government                             | 1,428,341                           | 1,238,784            | 1,180,069            |
| Protection services                            | 2,277,122                           | 2,362,317            | 2,299,227            |
| Transportation services                        | 2,336,840                           | 2,653,360            | 2,598,778            |
| Environmental services                         | 345,089                             | 258,846              | 318,192              |
| Health services                                | 3,770                               | 3,430                | 3,026                |
| Recreation and cultural services               | 959,895                             | 799,353              | 828,331              |
| Planning and development                       | 221,612                             | 83,385               | 67,801               |
| <b>TOTAL EXPENSES</b>                          | <b>7,572,669</b>                    | <b>7,399,475</b>     | <b>7,295,424</b>     |
| <b>ANNUAL SURPLUS</b>                          | <b><u>586,669</u></b>               | <b>1,284,935</b>     | <b>490,600</b>       |
| <b>ACCUMULATED SURPLUS - beginning of year</b> |                                     | <b>33,590,799</b>    | <b>33,100,199</b>    |
| <b>ACCUMULATED SURPLUS - end of year</b>       |                                     | <b>34,875,734</b>    | <b>33,590,799</b>    |

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2021

|  | Budget<br>2021<br>\$<br>(Unaudited) | Actual<br>2021<br>\$ | Actual<br>2020<br>\$ |
|--|-------------------------------------|----------------------|----------------------|
| <b>ANNUAL SURPLUS</b>                              | 586,669                             | 1,284,935            | 490,600              |
| Amortization of tangible capital assets            | 1,516,685                           | 1,449,799            | 1,516,685            |
| Purchase of tangible capital assets                | (3,098,931)                         | (2,152,055)          | (2,042,573)          |
| Loss on disposal of tangible capital assets        | -                                   | 72,954               | 97,931               |
| Proceeds on sale of tangible capital assets        | -                                   | 15,269               | 16,650               |
| Change in prepaid expenses                         | -                                   | (2,043)              | 1,134                |
| Change in inventories of materials and supplies    | -                                   | (45,391)             | 285,655              |
| <b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b> | (995,577)                           | 623,468              | 366,082              |
| <b>NET FINANCIAL ASSETS - beginning of year</b>    | 6,602,967                           | 6,602,967            | 6,236,885            |
| <b>NET FINANCIAL ASSETS - end of year</b>          | 5,607,390                           | 7,226,435            | 6,602,967            |

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2021

|   | 2021<br>\$  | 2020<br>\$  |
|---|-------------|-------------|
| <b>CASH PROVIDED BY (USED IN)</b>                     |             |             |
| <b>OPERATING ACTIVITIES</b>                           |             |             |
| Annual surplus  | 1,284,935   | 490,600     |
| Items not affecting cash                              |             |             |
| Amortization of tangible capital assets               | 1,449,799   | 1,516,685   |
| Loss on disposal of tangible capital assets           | 72,954      | 97,931      |
| Change in landfill closure and post-closure liability | (95,000)    | 6,000       |
| Change in employee future benefits                    | (2,161)     | (2,064)     |
| Change in non-cash assets and liabilities             |             |             |
| Accounts receivable                                   | (58,364)    | 71,465      |
| Taxes receivable                                      | 62,365      | 47,752      |
| Prepaid expenses                                      | (2,043)     | 1,134       |
| Inventories of materials and supplies                 | (45,391)    | 285,655     |
| Accounts payable                                      | 120,173     | 23,447      |
| Deferred revenue - obligatory reserve funds           | 286,902     | (197,653)   |
| Deferred revenue - other                              | (173,874)   | 113,758     |
| Net change in cash from operating activities          | 2,900,295   | 2,454,710   |
| <b>CAPITAL ACTIVITIES</b>                             |             |             |
| Purchase of tangible capital assets                   | (2,152,055) | (2,042,573) |
| Proceeds on disposal of tangible capital assets       | 15,269      | 16,650      |
| Net change in cash from capital activities            | (2,136,786) | (2,025,923) |
| <b>INVESTING ACTIVITIES</b>                           |             |             |
| Purchase of investments                               | (2,196,900) | (830,106)   |
| Disposal of investments                               | 2,144,518   | 743,797     |
| Net change in cash from investing activities          | (52,382)    | (86,309)    |
| <b>NET CHANGE IN CASH</b>                             | 711,127     | 342,478     |
| <b>CASH - beginning of year</b>                       | 3,734,646   | 3,392,168   |
| <b>CASH - end of year</b>                             | 4,445,773   | 3,734,646   |

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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The Township of Douro-Dummer is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

#### (a) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned and controlled by the Township. These consolidated financial statements include:

- Douro-Dummer Public Library

All interfund assets and liabilities and revenues and expenses are eliminated.

#### (b) Trust funds

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

#### (c) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

|                                    |                |
|------------------------------------|----------------|
| Land improvements                  | 20 to 25 years |
| Buildings and building improvement | 10 to 50 years |
| Machinery and equipment            | 5 to 40 years  |
| Vehicles                           | 5 to 30 years  |
| Computers and computer software    | 5 years        |
| Roads and bridges                  | 10 to 50 years |

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

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (d) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

##### Taxation

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

##### Government funding and other grants

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

##### Other revenue

User fees are recognized as revenue in the year the goods and services are provided, with the exception of building permits that are recognized when the permits are issued.

Investment income is recorded when earned.

Federal gas tax revenue, development charges and parkland fees are recognized in the period in which the related expenditures are recorded.

#### (e) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the Township because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

#### (f) Reserves and reserve funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Deferred revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(h) Use of estimates

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements or changes in such estimates in future periods could be significant. The Township's significant estimates include:

- The amounts recorded for landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs;
- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values;
- The values of employee future benefit obligations and assets and the amount of employee future benefit costs charged to earnings depend on certain actuarial and economic assumptions; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

(i) Inventory

Inventory held for resale, which includes land, is stated at the lower of cost and net realizable value, with cost being the purchase price plus the cost to prepare the land for resale.

Inventory of materials and supplies is stated at weighted average cost.

### 2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF PETERBOROUGH

During 2021, requisitions were made by the County of Peterborough and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

|                                    | School<br>Boards<br>\$ | County<br>\$ |
|------------------------------------|------------------------|--------------|
| Amounts requisitioned and remitted | 2,529,021              | 5,544,424    |

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 3. INVESTMENTS

The investments held at the end of the year, stated at cost, are comprised of the following:

|  | Market<br>Value<br>2021<br>\$ | Cost<br>2021<br>\$ | Cost<br>2020<br>\$ |
|--|-------------------------------|--------------------|--------------------|
| <b>Short-term investments</b>  |                               |                    |                    |
| Cash held in investment accounts                                     | 120,500                       | 120,500            | 764,577            |
| One Fund - bond fund   | 509,693                       | 541,791            | 532,860            |
| GICs - interest ranging from 0.6% to 2.64%,<br>maturing 2022         | 1,348,956                     | 1,337,890          | 1,412,585          |
|  | 1,979,149                     | 2,000,181          | 2,710,022          |
| <b>Long-term investments</b>   |                               |                    |                    |
| GICs - interest ranging from 0.6% to 3.45%,<br>maturing 2023 to 2025 | 1,981,252                     | 1,970,310          | 1,208,087          |
|  | 3,960,401                     | 3,970,491          | 3,918,109          |

### 4. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The estimated liability for landfill closure and post-closure costs for the three closed sites owned by the Township is \$182,000 (2020 - \$277,000). The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The Township has a landfill reserve of \$70,949 (2020 - \$70,949) and the remaining landfill closure and post-closure liability will be funded from taxation. There are no specific assets designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining monitoring periods of the landfills. The total undiscounted future cash flows for closure and post-closure costs are estimated at \$200,000 as at December 31, 2021 (2020 - \$303,000) using a discount factor of 2.84% (2020 - 2.3%) and an inflation rate of 3.0% (2019 - 3.0%).

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 5. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

|   | 2021   | 2020    |
|---|--------|---------|
|   | \$     | \$      |
| AMO funding Main Street Revitalization            | 10,234 | 10,234  |
| Ontario Cannabis Legalization Implementation Fund | 5,000  | -       |
| Ice and floor rentals                             | 9,189  | 9,189   |
| Safe Restart                                      | -      | 179,502 |
| Other   | 1,000  | 1,000   |
| OCIF  | 628    | -       |
|   | 26,051 | 199,925 |

The continuity of deferred revenue - other is as follows:

|  | 2021    | 2020    |
|--|---------|---------|
|  | \$      | \$      |
| Balance - beginning of year                        | 199,925 | 86,167  |
| Ice and floor rentals                              | -       | 9,189   |
| Safe Restart                                       | 110,693 | 221,600 |
| Ontario Cannabis Legalization Implementation Fund  | 5,000   | -       |
| OCIF   | 93,165  | -       |
|  | 208,858 | 230,789 |
| Less transfer to operations:                       |         |         |
| AMO funding Main Street revitalization             | -       | 33,457  |
| Ice and floor rentals                              | -       | 7,755   |
| Safe Restart                                       | 290,195 | 42,098  |
| Employment and Social Development Canada - Library | -       | 33,611  |
| Other  | -       | 110     |
| OCIF   | 92,537  | -       |
|  | 382,732 | 117,031 |
| Balance - end of year                              | 26,051  | 199,925 |

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 6. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, 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 balances in the obligatory reserve funds of the Township are summarized below:

|                     | 2021<br>\$ | 2020<br>\$ |
|---------------------|------------|------------|
| Parkland            | 65,873     | 44,623     |
| Development charges | 80,618     | 23,410     |
| Federal gas tax     | 765,588    | 557,144    |
|                     | 912,079    | 625,177    |

The continuity of deferred revenue - obligatory reserve funds is as follows:

|                              | 2021<br>\$ | 2020<br>\$ |
|------------------------------|------------|------------|
| Balance - beginning of year  | 625,177    | 822,830    |
| Add amounts received:        |            |            |
| Development charges          | 150,079    | 46,774     |
| Parkland fees                | 21,250     | 12,500     |
| Federal gas tax              | 417,325    | 203,526    |
| Interest                     | 3,896      | 6,796      |
|                              | 592,550    | 269,596    |
| Less transfer to operations: |            |            |
| Development charges earned   | 92,871     | 39,484     |
| Federal gas tax earned       | 212,777    | 427,765    |
|                              | 305,648    | 467,249    |
| Balance - end of year        | 912,079    | 625,177    |

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 7. EMPLOYEE FUTURE BENEFITS

The Township provides eligible employees a benefit plan to pay costs of extended health and vision benefits after they retire. All benefits are provided upon retirement and continue for a period of 10 years, but not beyond the age 65, at which time the benefits cease. The actuarial valuation as at December 31, 2019 and the update to December 31, 2021 were based on assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

|   |       |
|---|-------|
| Expected discount rate                          | 3.1%  |
| Future health care premiums - first year (2021) | 10.0% |
| - reducing over 10 years to                     | 3.5%  |

The post-employment benefit is reported as an expense on the Consolidated Statement of Operations and Accumulated Surplus and is comprised as follows:

|   | 2021<br>\$ | 2020<br>\$ |
|---|------------|------------|
| Accrued benefit obligation at January 1 | 108,850    | 106,975    |
| Unamortized actuarial gains             | 29,831     | 33,770     |
| Liability at January 1                  | 138,681    | 140,745    |
| Current year benefit cost               | 4,408      | 4,276      |
| Interest on accrued benefit obligation  | 3,350      | 3,294      |
| Less: benefit payments                  | (5,980)    | (5,695)    |
| Amortization of actuarial gains         | (3,939)    | (3,939)    |
| Liability at December 31                | 136,520    | 138,681    |

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 8. TANGIBLE CAPITAL ASSETS

The net book value of the Township's tangible capital assets are:

|                                     | 2021<br>\$ | 2020<br>\$ |
|-------------------------------------|------------|------------|
| General                             |            |            |
| Land and land improvements          | 1,971,632  | 1,908,114  |
| Buildings and building improvements | 1,682,926  | 1,765,842  |
| Machinery and equipment             | 1,638,292  | 1,373,995  |
| Vehicles                            | 1,861,040  | 1,528,038  |
| Computers and computer software     | 44,108     | 67,072     |
| Infrastructure                      |            |            |
| Roads and bridges                   | 19,551,408 | 19,032,251 |
|                                     | 26,749,406 | 25,675,312 |
| Assets under construction           | 561,545    | 1,021,606  |
|                                     | 27,310,951 | 26,696,918 |

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets 2020 - \$Nil) and no interest capitalized (2020 - \$Nil).

The allocation of tangible capital assets by segment is as follows:

|                                  | 2021<br>\$ | 2020<br>\$ |
|----------------------------------|------------|------------|
| General government               | 1,069,338  | 1,151,657  |
| Protection services              | 1,733,258  | 1,231,266  |
| Transportation services          | 20,992,235 | 20,799,326 |
| Environmental services           | 28,480     | 37,585     |
| Health services                  | 22,269     | 22,746     |
| Recreation and cultural services | 2,377,478  | 2,367,592  |
| Planning and development         | 1,087,893  | 1,086,746  |
|                                  | 27,310,951 | 26,696,918 |

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 9. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

|  | 2021<br>\$ | 2020<br>\$ |
|--|------------|------------|
| <b>Surplus/(Deficit)</b>                         |            |            |
| Land held for resale                             | 83,487     | 83,487     |
| Unfunded employee future benefits                | (136,520)  | (138,681)  |
| Unfunded landfill closure and post-closure costs | (182,000)  | (277,000)  |
|  | (235,033)  | (332,194)  |
| <b>Invested In Capital Assets</b>                |            |            |
| Tangible capital assets - net book value         | 27,310,951 | 26,696,918 |
| Unfinanced capital                               | -          | (92,871)   |
|  | 27,310,951 | 26,604,047 |
| <b>Surplus</b>                                   | 27,075,918 | 26,271,853 |
| <b>Reserves</b>                                  |            |            |
| Working funds                                    | 1,947,385  | 1,836,691  |
| Self insurance                                   | 43,221     | 43,221     |
| Post employment benefits                         | 69,156     | 69,156     |
| Future capital projects                          | 5,003,688  | 4,976,501  |
| Future operations                                | 727,583    | 384,594    |
| <b>Total Reserves</b>                            | 7,791,033  | 7,310,163  |
| <b>Reserve Funds</b>                             |            |            |
| Future capital projects                          | 8,783      | 8,783      |
|  | 34,875,734 | 33,590,799 |

### 10. BUDGET FIGURES

The budget, approved by the Township, for 2021 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

### 11. CONTINGENT LIABILITIES

The Township, in the course of its operations, is often named in lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 12. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

|  | Budget<br>2021<br>\$<br>(Unaudited) | Actual<br>2021<br>\$ | Actual<br>2020<br>\$ |
|--|-------------------------------------|----------------------|----------------------|
| Salaries and benefits                              | 2,663,954                           | 2,420,029            | 2,308,519            |
| Materials  | 1,504,222                           | 1,548,744            | 1,490,244            |
| Contracted services                                | 1,776,295                           | 1,650,659            | 1,771,919            |
| Rents and financial                                | 4,300                               | 8,586                | 6,545                |
| External transfers                                 | 107,213                             | 248,704              | 103,581              |
| Amortization                                       | 1,516,685                           | 1,449,799            | 1,516,685            |
| Loss (gain) on disposal of tangible capital assets | -                                   | 72,954               | 97,931               |
|  | 7,572,669                           | 7,399,475            | 7,295,424            |

### 13. PENSION AGREEMENTS

Certain employees of the Township are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. OMERS provides pension services to over 525,000 active, inactive and retired members from 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 Actuarial Opinion contained in the 2021 Annual Report disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets of \$117,665 million indicating an actuarial deficit of \$3,131 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2021 were \$133,499 (2020 - \$132,773).

### 14. TRUST FUNDS

Trust funds administered by the Township amounting to \$41,646 (2020 - \$41,635) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

### 15. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### 16. SEGMENTED INFORMATION

The Township of Douro-Dummer is a municipal government organization that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segment information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

#### **General Government**

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

#### **Protection Services**

Protection services include police, fire, conservation authority and protective inspection and control.

#### **Transportation Services**

The activities of the transportation function include construction and maintenance of the Township's roads and bridges, winter control and street lighting.

#### **Environmental Services**

The environmental function is responsible for providing waste collection and waste disposal services to ratepayers.

#### **Health Services**

The health services function consists of the activities of the cemetery.

#### **Recreation and Cultural Services**

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and library services.

#### **Planning and Development**

The planning and development services function manages commercial, industrial and residential development within the Township.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2021

|  | General                    |                                     |                         |           | Infrastructure                  |                   | Totals     |
|--|----------------------------|-------------------------------------|-------------------------|-----------|---------------------------------|-------------------|------------|
|  | Land and land improvements | Buildings and building improvements | Machinery and Equipment | Vehicles  | Computers and computer software | Roads and Bridges |            |
|  | \$                         | \$                                  | \$                      | \$        | \$                              | \$                | \$         |
| <b>COST</b>                                      |                            |                                     |                         |           |                                 |                   |            |
| Balance, beginning of year                       | 2,246,448                  | 5,153,000                           | 3,521,080               | 4,228,567 | 276,104                         | 32,670,064        | 49,116,869 |
| Add: additions during the year                   | 6,043                      | 22,406                              | 456,375                 | 567,585   | -                               | 1,009,358         | 2,152,055  |
| Less: disposals during the year                  | -                          | -                                   | 145,947                 | 17,655    | -                               | 715,659           | 879,261    |
| Internal transfers                               | 86,773                     | -                                   | 4,373                   | -         | -                               | 459,203           | -          |
| Balance, end of year                             | 2,339,264                  | 5,175,406                           | 3,835,881               | 4,778,497 | 276,104                         | 33,422,966        | 50,389,663 |
| <b>ACCUMULATED AMORTIZATION</b>                  |                            |                                     |                         |           |                                 |                   |            |
| Balance, beginning of year                       | 338,334                    | 3,387,158                           | 2,147,085               | 2,700,529 | 209,032                         | 13,637,813        | 22,419,951 |
| Add: additions during the year                   | 29,298                     | 105,322                             | 192,202                 | 231,935   | 22,964                          | 868,078           | 1,449,799  |
| Less: disposals during the year                  | -                          | -                                   | 141,698                 | 15,007    | -                               | 634,333           | 791,038    |
| Balance, end of year                             | 367,632                    | 3,492,480                           | 2,197,589               | 2,917,457 | 231,996                         | 13,871,558        | 23,078,712 |
| <b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b> | 1,971,632                  | 1,682,926                           | 1,638,292               | 1,861,040 | 44,108                          | 19,551,408        | 27,310,951 |

Draft March 11, 2024<sup>16</sup>

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2021

|   | General<br>Government<br>\$ | Protection<br>Services<br>\$ | Transportation<br>Services<br>\$ | Environmental<br>Services<br>\$ | Health<br>Services<br>\$ | Recreation and<br>Cultural<br>Services<br>\$ | Planning and<br>Development<br>\$ | Consolidated<br>\$ |
|---|-----------------------------|------------------------------|----------------------------------|---------------------------------|--------------------------|--|-----------------------------------|--------------------|
| <b>Revenues</b>                                       |                             |                              |                                  |                                 |                          |  |                                   |                    |
| Property taxation                                     | 128,339                     | 1,759,398                    | 2,628,861                        | 253,032                         | 3,250                    | 807,073                                      | 184,375                           | 5,764,328          |
| User charges  | 11,072                      | 743,961                      | 36,966                           | 136,866                         | -                        | 238,216                                      | 56,997                            | 1,224,078          |
| Government transfers - operating                      | 682,559                     | 33,435                       | 62,784                           | -                               | -                        | 171,912                                      | -                                 | 950,690            |
| Government transfers - capital                        | -                           | 65,401                       | 92,537                           | -                               | -                        | -  | -                                 | 157,938            |
| Other municipalities                                  | -                           | 7,650                        | -                                | -                               | -                        | -  | -                                 | 7,650              |
| Penalty and interest on taxes                         | 124,716                     | -                            | -                                | -                               | -                        | -  | -                                 | 124,716            |
| Investment income                                     | 90,126                      | -                            | -                                | -                               | -                        | 769  | -                                 | 90,895             |
| Donations   | -                           | 6,710                        | -                                | -                               | -                        | 640  | -                                 | 7,350              |
| Other grants  | 50,000                      | -                            | -                                | -                               | -                        | 1,117  | -                                 | 51,117             |
| Developer contributions earned                        | -                           | -                            | 83,420                           | -                               | -                        | 9,451  | -                                 | 92,871             |
| Federal gas tax earned                                | -                           | -                            | 212,777                          | -                               | -                        | -  | -                                 | 212,777            |
| <b>Total revenues</b>                                 | <b>1,086,812</b>            | <b>2,616,555</b>             | <b>3,117,345</b>                 | <b>389,898</b>                  | <b>3,250</b>             | <b>1,229,178</b>                             | <b>241,372</b>                    | <b>8,684,410</b>   |
| <b>Expenses</b>                                       |                             |                              |                                  |                                 |                          |  |                                   |                    |
| Salaries and benefits                                 | 754,642                     | 628,408                      | 628,468                          | 45,079                          | -                        | 289,725                                      | 73,707                            | 2,420,029          |
| Materials   | 288,481                     | 305,323                      | 555,087                          | 40,920                          | 2,953                    | 351,910                                      | 4,070                             | 1,548,744          |
| Contracted services                                   | 106,856                     | 1,049,740                    | 321,007                          | 163,742                         | -                        | 3,971  | 5,343                             | 1,650,659          |
| Rents and financial                                   | 8,586                       | -                            | -                                | -                               | -                        | -  | -                                 | 8,586              |
| External transfers                                    | 1,600                       | 247,104                      | -                                | -                               | -                        | -  | -                                 | 248,704            |
| Amortization  | 78,619                      | 142,619                      | 1,067,472                        | 9,105                           | 477                      | 151,242                                      | 265                               | 1,449,799          |
| Loss (gain) on disposal of tangible<br>capital assets | -                           | (10,877)                     | 81,326                           | -                               | -                        | 2,505  | -                                 | 72,954             |
| <b>Total expenses</b>                                 | <b>1,238,784</b>            | <b>2,362,317</b>             | <b>2,653,360</b>                 | <b>258,846</b>                  | <b>3,430</b>             | <b>799,353</b>                               | <b>83,385</b>                     | <b>7,399,475</b>   |
| <b>Net surplus/(deficit)</b>                          | <b>(151,972)</b>            | <b>254,238</b>               | <b>463,985</b>                   | <b>131,052</b>                  | <b>(180)</b>             | <b>429,825</b>                               | <b>157,987</b>                    | <b>1,284,935</b>   |

*Draft March 11, 2024*

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2020

|   | General<br>Government<br>\$ | Protection<br>Services<br>\$ | Transportation<br>Services<br>\$ | Environmental<br>Services<br>\$ | Health<br>Services<br>\$ | Recreation and<br>Cultural<br>Services<br>\$ | Planning and<br>Development<br>\$ | Consolidated<br>\$ |
|---|-----------------------------|------------------------------|----------------------------------|---------------------------------|--------------------------|--|-----------------------------------|--------------------|
| <b>Revenues</b>                                       |                             |                              |                                  |                                 |                          |  |                                   |                    |
| Property taxation                                     | 1,358,577                   | 1,705,617                    | 1,643,405                        | 175,453                         | 3,700                    | 549,144                                      | 78,818                            | 5,514,714          |
| User charges  | 10,123                      | 234,957                      | 30,741                           | 142,857                         | -                        | 127,126                                      | 34,486                            | 580,290            |
| Government transfers - operating                      | 655,514                     | 45,878                       | 52,493                           | -                               | -                        | 56,255                                       | -                                 | 810,140            |
| Government transfers - capital                        | -                           | -                            | 93,165                           | -                               | -                        | 76,900                                       | -                                 | 170,065            |
| Other municipalities                                  | -                           | 12,350                       | -                                | -                               | -                        | -  | -                                 | 12,350             |
| Penalty and interest on taxes                         | 97,879                      | -                            | -                                | -                               | -                        | -  | -                                 | 97,879             |
| Investment income                                     | 133,154                     | -                            | -                                | -                               | -                        | -  | -                                 | 133,154            |
| Donations   | -                           | -                            | -                                | -                               | -                        | 183  | -                                 | 183                |
| Developer contributions earned                        | -                           | -                            | 35,255                           | -                               | -                        | 4,229  | -                                 | 39,484             |
| Federal gas tax earned                                | -                           | -                            | 427,765                          | -                               | -                        | -  | -                                 | 427,765            |
| <b>Total revenues</b>                                 | <b>2,255,247</b>            | <b>1,998,802</b>             | <b>2,282,824</b>                 | <b>318,310</b>                  | <b>3,700</b>             | <b>813,837</b>                               | <b>113,304</b>                    | <b>7,786,024</b>   |
| <b>Expenses</b>                                       |                             |                              |                                  |                                 |                          |  |                                   |                    |
| Salaries and benefits                                 | 723,190                     | 565,307                      | 594,640                          | 43,417                          | -                        | 326,889                                      | 55,076                            | 2,308,519          |
| Materials   | 162,181                     | 417,071                      | 539,180                          | 41,012                          | 2,506                    | 323,197                                      | 5,097                             | 1,490,244          |
| Contracted services                                   | 194,600                     | 1,058,865                    | 279,490                          | 223,875                         | -                        | 7,748  | 7,341                             | 1,771,919          |
| Rents and financial                                   | 6,545                       | -                            | -                                | -                               | -                        | -  | -                                 | 6,545              |
| External transfers                                    | 50                          | 103,531                      | -                                | -                               | -                        | -  | -                                 | 103,581            |
| Amortization  | 93,503                      | 154,453                      | 1,107,238                        | 9,888                           | 520                      | 150,796                                      | 287                               | 1,516,685          |
| Loss (gain) on disposal of tangible<br>capital assets | -                           | -                            | 78,230                           | -                               | -                        | 19,701                                       | -                                 | 97,931             |
| <b>Total expenses</b>                                 | <b>1,180,069</b>            | <b>2,299,227</b>             | <b>2,598,778</b>                 | <b>318,192</b>                  | <b>3,026</b>             | <b>828,331</b>                               | <b>67,801</b>                     | <b>7,295,424</b>   |
| <b>Net surplus/(deficit)</b>                          | <b>1,075,178</b>            | <b>(300,425)</b>             | <b>(315,954)</b>                 | <b>118</b>                      | <b>674</b>               | <b>(14,494)</b>                              | <b>45,503</b>                     | <b>490,600</b>     |

*Draft March 11, 2024*<sup>18</sup>

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Board of Directors of Corporation of the Township of Douro-Dummer**

#### *Opinion*

We have audited the financial statements of the Trust Funds of the Corporation of the Township of Douro-Dummer (the Trust Funds), which comprise the statement of financial position as at December 31, 2021, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2021, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of 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 Trust Funds' 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 Trust Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Funds' 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 Trust Funds' 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 Trust Funds' 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 Trust Funds 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.

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
March 19, 2024

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2021

|                              | H. Sherry<br>Scholarship<br>\$ | Ontario<br>Home<br>Renewal<br>Program<br>\$ | Cemetery<br>Perpetual<br>Care<br>\$ | Caldwell<br>Charity<br>Fund<br>\$ | 2021<br>Total<br>\$ | 2020<br>Total<br>\$ |
|------------------------------|--------------------------------|---|-------------------------------------|-----------------------------------|---------------------|---------------------|
| <b>FINANCIAL ASSETS</b>      |                                |   |                                     |                                   |                     |                     |
| Cash                         | 8,810                          | 15,274                                      | -                                   | 1,629                             | 25,713              | 25,288              |
| Loans receivable<br>(note 2) | -                              | 11,577                                      | -                                   | -                                 | 11,577              | 11,577              |
| Due from Township            | -                              | 155   | 3,700                               | 163                               | 4,018               | 4,431               |
| Due from Province            | -                              | 339   | -                                   | -                                 | 339                 | 339                 |
|                              | 8,810                          | 27,345                                      | 3,700                               | 1,792                             | 41,647              | 41,635              |
| <b>FUND BALANCES</b>         | 8,810                          | 27,345                                      | 3,700                               | 1,791                             | 41,646              | 41,635              |

## TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2021

|   | H. Sherry<br>Scholarship<br>\$ | Ontario<br>Home<br>Renewal<br>Program<br>\$ | Cemetery<br>Perpetual<br>Care<br>\$ | Caldwell<br>Charity<br>Fund<br>\$ | 2021<br>Total<br>\$ | 2020<br>Total<br>\$ |
|---|--------------------------------|---|-------------------------------------|-----------------------------------|---------------------|---------------------|
| <b>BALANCES -<br/>beginning of year</b> | 8,810                          | 27,345                                      | 3,700                               | 1,780                             | 41,635              | 41,609              |
| <b>RECEIPTS</b>                         |                                |   |                                     |                                   |                     |                     |
| Interest earned                         | -                              | 107   | 21                                  | 11                                | 139                 | 219                 |
| <b>EXPENSES</b>                         |                                |   |                                     |                                   |                     |                     |
| Administration fees                     | -                              | -   | -                                   | -                                 | -                   | 172                 |
| Transfer to Township                    | -                              | 107   | 21                                  | -                                 | 128                 | 21                  |
|   | -                              | 107   | 21                                  | -                                 | 128                 | 193                 |
| <b>BALANCES - end of<br/>year</b>       | 8,810                          | 27,345                                      | 3,700                               | 1,791                             | 41,646              | 41,635              |

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



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## TRUST FUNDS

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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#### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.

#### 2. ONTARIO HOME RENEWAL PROGRAM LOANS

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans are limited to \$7,500 of which the maximum forgivable is \$4,000. Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

Ontario Home Renewal Program loans receivable at December 31, 2021 are comprised of repayable loans of \$11,577 (2020 - \$11,577).

The Province of Ontario cancelled the Ontario Home Renewal Program as of July 16, 1993. As of that date, no new loans are to be issued and surplus funds are to be returned to the Province annually.

#### 3. CARE AND MAINTENANCE FUNDS

The Care and Maintenance Funds administered by the Township are funded by the sale of cemetery plots. These funds are invested and earnings derived there from are used to preform perpetual care maintenance to the cemetery. The operations and investments of the Fund are undertaken by the Township in accordance with the regulations of the Funeral, Burial and Cremation Services Act.

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**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**  
**DOURO-DUMMER PUBLIC LIBRARY**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

### **To the Members of the Douro-Dummer Public Library, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Douro-Dummer**

We have reviewed the accompanying financial statements of the Douro-Dummer Public Library of the Corporation of the Township of Douro-Dummer (the Board), that comprise the statement of financial position as at December 31, 2021 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility 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.

#### *Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Board as at December 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
March 19, 2024

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY STATEMENT OF FINANCIAL POSITION At December 31, 2021

|                                     | 2021<br>\$ | 2020<br>\$ |
|-------------------------------------|------------|------------|
| <b>FINANCIAL ASSETS</b>             |            |            |
| Cash                                | 28,664     | 14,357     |
| Accounts receivable                 | 1,117      | 1,113      |
| Due from Township (note 2)          | 104,025    | 74,524     |
| <b>NET FINANCIAL ASSETS</b>         | 133,806    | 89,994     |
| <b>NON-FINANCIAL ASSETS</b>         |            |            |
| Tangible capital assets (note 4)    | 148,028    | 154,396    |
| <b>ACCUMULATED SURPLUS (note 5)</b> | 281,834    | 244,390    |

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2021

|  | Budget<br>2021<br>\$<br>(see Note 3) | Actual<br>2021<br>\$ | Actual<br>2020<br>\$ |
|--|--------------------------------------|----------------------|----------------------|
| <b>REVENUES</b>                                |                                      |                      |                      |
| Municipal contributions (note 2)               | 111,513                              | 120,964              | 120,035              |
| Province of Ontario                            | 13,500                               | 14,307               | 15,420               |
| Government of Canada                           | -                                    | -                    | 33,611               |
| User charges                                   | 1,128                                | 950                  | 225                  |
| Other grants                                   | -                                    | 1,117                | -                    |
| <b>TOTAL REVENUES</b>                          | <b>126,141</b>                       | <b>137,338</b>       | <b>169,291</b>       |
| <b>EXPENSES</b>                                |                                      |                      |                      |
| Salaries, wages and benefits                   | 69,558                               | 52,327               | 50,755               |
| Subscriptions and videos                       | 2,280                                | 1,500                | 1,325                |
| Supplies, materials and rentals                | 11,246                               | 4,640                | 7,706                |
| Public relations and advertising               | 1,835                                | 491                  | 934                  |
| Memberships, staff training and mileage        | 6,890                                | 6,140                | 4,089                |
| Utilities                                      | 9,600                                | 8,386                | 7,589                |
| Property maintenance and repairs               | 9,622                                | 6,909                | 4,977                |
| Contracted services                            | 1,610                                | 1,492                | 1,100                |
| Amortization                                   | 19,122                               | 18,009               | 19,122               |
| <b>TOTAL EXPENSES</b>                          | <b>131,763</b>                       | <b>99,894</b>        | <b>97,597</b>        |
| <b>ANNUAL SURPLUS/(DEFICIT)</b>                | <b><u>(5,622)</u></b>                | <b>37,444</b>        | <b>71,694</b>        |
| <b>ACCUMULATED SURPLUS - beginning of year</b> |                                      | <b>244,390</b>       | <b>172,696</b>       |
| <b>ACCUMULATED SURPLUS - end of year</b>       |                                      | <b>281,834</b>       | <b>244,390</b>       |

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2021

|   | Budget<br>2021<br>\$<br>(Note 3) | Actual<br>2021<br>\$ | Actual<br>2020<br>\$ |
|---|----------------------------------|----------------------|----------------------|
| <b>ANNUAL SURPLUS/(DEFICIT)</b>                 | (5,622)                          | 37,444               | 71,694               |
| Amortization of tangible capital assets         | 19,122                           | 18,009               | 19,122               |
| Acquisition of tangible capital assets          | (13,500)                         | (11,641)             | (83,520)             |
| <b>INCREASE IN NET FINANCIAL ASSETS</b>         | -                                | 43,812               | 7,296                |
| <b>NET FINANCIAL ASSETS - beginning of year</b> | 89,994                           | 89,994               | 82,698               |
| <b>NET FINANCIAL ASSETS - end of year</b>       | 89,994                           | 133,806              | 89,994               |

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY STATEMENT OF CASH FLOWS For the Year Ended December 31, 2021

|  | 2021<br>\$ | 2020<br>\$ |
|--|------------|------------|
| <b>CASH PROVIDED BY (USED IN)</b>            |            |            |
| <b>OPERATING ACTIVITIES</b>                  |            |            |
| Annual surplus                               | 37,444     | 71,694     |
| Items not involving cash                     |            |            |
| Amortization of tangible capital assets      | 18,009     | 19,122     |
| Change in non-cash assets and liabilities    |            |            |
| Accounts receivable                          | (4)        | (1,494)    |
| Due from Township                            | (29,501)   | 26,696     |
| Deferred revenue                             | -          | (33,611)   |
| Net change in cash from operating activities | 25,948     | 82,407     |
| <b>CAPITAL ACTIVITIES</b>                    |            |            |
| Acquisition of tangible capital assets       | (11,641)   | (83,520)   |
| <b>NET CHANGE IN CASH</b>                    | 14,307     | (1,113)    |
| <b>CASH - beginning of year</b>              | 14,357     | 15,470     |
| <b>CASH - end of year</b>                    | 28,664     | 14,357     |

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

#### (a) Recognition of revenue and expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Government funding and other grants are recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

User charges are recognized as revenue in the year the goods and services are provided.

#### (b) Use of estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values.

#### (c) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

|                                     |                |
|-------------------------------------|----------------|
| Buildings and building improvements | 15 to 50 years |
| Equipment and books                 | 5 to 40 years  |
| Computers                           | 5 years        |

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

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

#### (d) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (e) Non-financial assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

#### (f) Inter-Entity Transactions

The Douro-Dummer Public Library is a Board of the Township of Douro-Dummer and is consolidated with the Township's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Township.

#### (g) Reserves

Certain amounts, as approved by the Board, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective fund when approved.

### 2. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Douro-Dummer.

As part of the budgeting process, the Township approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus.

In addition, the Township provides accounting and administrative services to the Board at no cost.

All balances with the Township of Douro-Dummer have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

### 3. BUDGET FIGURES

The operating budget, approved by the Board, for 2021 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to review.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

### 4. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

|  | Buildings and<br>building<br>improvements<br>\$ | Equipment<br>and books<br>\$ | Computer<br>\$ | 2021<br>Totals<br>\$ | 2020<br>Totals<br>\$ |
|--|---|------------------------------|----------------|----------------------|----------------------|
| <b>COST</b>  |   |                              |                |                      |                      |
| Balance, beginning of year                           | 169,134   | 86,297                       | 7,879          | 263,310              | 191,752              |
| Add: additions during the year                       | -   | 11,641                       | -              | 11,641               | 83,520               |
| Less: disposals during the year                      | -   | 25,459                       | -              | 25,459               | 11,962               |
| Balance, end of year                                 | 169,134   | 72,479                       | 7,879          | 249,492              | 263,310              |
| <b>ACCUMULATED AMORTIZATION</b>                      |   |                              |                |                      |                      |
| Balance, beginning of year                           | 58,717  | 42,318                       | 7,879          | 108,914              | 101,754              |
| Add: additions during the year                       | 5,708   | 12,301                       | -              | 18,009               | 19,122               |
| Less: disposals during the year                      | -   | 25,459                       | -              | 25,459               | 11,962               |
| Balance, end of year                                 | 64,425  | 29,160                       | 7,879          | 101,464              | 108,914              |
| <b>NET BOOK VALUE OF TANGIBLE CAPITAL<br/>ASSETS</b> | 104,709   | 43,319                       | -              | 148,028              | 154,396              |

### 5. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

|  | 2021<br>\$ | 2020<br>\$ |
|--|------------|------------|
| <b>Invested In Capital Assets</b>        |            |            |
| Tangible capital assets - net book value | 148,028    | 154,396    |
| Unfunded capital                         | -          | (9,451)    |
| <b>Surplus</b>                           | 148,028    | 144,945    |
| <b>Reserve</b>                           |            |            |
| Future capital projects                  | 133,806    | 99,445     |
|  | 281,834    | 244,390    |

### 6. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.