

Township of Whitewater Region

Financial Statements

For the year ended 31 December 2023

MACKILLICAN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the Township of Whitewater Region (the "Township") are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of the significant accounting policies is contained in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

The consolidated financial statements have been audited by MacKillican & Associates, independent external auditors appointed by the Township. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.



Ivan Burton
CAO

(613) 646-2282



P.O. Box 40,
44 Main Street
Cobden, ON
K0J 1K0



www.whitewaterregion.ca



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INDEPENDENT AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Whitewater Region.

Opinion

We have audited the consolidated financial statements of the Township of Whitewater Region (the Township), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of operations and accumulated surplus, consolidated statement of changes in net financial assets (liabilities) and consolidated statement of 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 financial position of the Township as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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 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.

620 Barnet Blvd.
Renfrew ON, K7V 0A8
T: 613.432.3664 | F: 613.432.8424
Email: info@mackillicans.com | Website: www.mackillicans.com

J.D. Healey, CPA, CA, LPA / R.K. Richards, CPA, CA, LPA / B.D. Thompson, CPA, CA, LPA / D.J. Thompson, CPA, CA, LPA

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 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.

MacKillicon & Associates

RENFREW, Ontario.
16 October 2024.

Chartered Professional Accountants,
Licensed Public Accountants.

Township of Whitewater Region
Consolidated Statement of Financial Position
For the year ended 31 December 2023
(with 2022 figures for comparison)

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 2,314,735	\$ 1,121,543
Taxes receivable	1,225,058	898,811
Accounts receivable	878,925	823,070
Investments (Note 3)	<u>295,029</u>	<u>295,029</u>
	<u>\$ 4,713,747</u>	<u>\$ 3,138,453</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,220,238	\$ 2,218,179
Ontario Infrastructure and Lands Corporation - advance (Note 17)		3,125,000
Deferred revenue - obligatory reserve funds (Note 5)	515,831	242,670
Net long term liabilities (Note 10)	14,751,494	10,538,758
Asset retirement obligation (Note 6)	<u>462,562</u>	<u>391,000</u>
	<u>\$ 16,950,125</u>	<u>\$ 16,515,607</u>
Net financial assets (liabilities)	<u>\$ (12,236,378)</u>	<u>\$ (13,377,154)</u>
Non-financial assets:		
Tangible capital assets (net)	\$ 46,807,242	\$ 46,562,755
Inventories of supplies	130,388	374,613
Prepaid expenses	<u>19,846</u>	<u>33,199</u>
	<u>\$ 46,957,476</u>	<u>\$ 46,970,567</u>
Accumulated surplus	<u>\$ 34,721,098</u>	<u>\$ 33,593,413</u>
Accumulated surplus comprised of:		
Equity in tangible capital assets (Note 12)	\$ 31,905,805	\$ 31,831,296
Whitewater Region Public Library Board	31,144	42,316
Whitewater Historical Society	12,106	14,279
Reserve and reserve funds	3,234,605	2,096,522
Unfunded - asset retirement obligation (Notes 2 and 6)	<u>(462,562)</u>	<u>(391,000)</u>
Total accumulated surplus	<u>\$ 34,721,098</u>	<u>\$ 33,593,413</u>

(See accompanying notes)

Township of Whitewater Region
Consolidated Statement of Operations and Accumulated Surplus
For the year ended 31 December 2023
(with 2023 budget and 2022 actual figures for comparison)

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
Revenue:			
Taxation and user charges	\$ 9,682,715	\$ 9,860,965	\$ 8,921,998
Government transfers:			
Ontario	1,952,695	2,007,236	2,777,883
Canada	223,600	163,441	265,230
Other municipalities	9,000	14,516	8,000
Other	<u>1,314,843</u>	<u>1,171,584</u>	<u>1,461,913</u>
	<u>\$ 13,182,853</u>	<u>\$ 13,217,742</u>	<u>\$ 13,435,024</u>
Expenses:			
General government	\$ 1,483,742	\$ 1,482,161	\$ 1,539,464
Protection to persons and property	2,207,848	2,202,690	2,155,292
Transportation services	4,278,088	4,054,360	4,186,492
Environmental services	3,015,097	2,931,532	2,930,815
Social services	60,800	66,324	77,771
Recreation and cultural services	1,245,255	1,081,368	1,204,687
Planning and development	<u>331,019</u>	<u>271,622</u>	<u>346,713</u>
	<u>\$ 12,621,849</u>	<u>\$ 12,090,057</u>	<u>\$ 12,441,234</u>
Net revenues (expenditures)	\$ 561,004	\$ 1,127,685	\$ 993,790
Accumulated surplus at the beginning of the year	<u>33,593,413</u>	<u>33,593,413</u>	<u>32,599,623</u>
Accumulated surplus at the end of the year	<u>\$ 34,154,417</u>	<u>\$ 34,721,098</u>	<u>\$ 33,593,413</u>

(See accompanying notes)

Township of Whitewater Region
Consolidated Statement of Changes in Net Financial Assets (Liabilities)
For the year ended 31 December 2023
(with 2023 budget and 2022 actual figures for comparison)

	2023 <u>Budget</u>	2023 <u>Actual</u>	2022 <u>Actual</u>
Excess of revenue over expenses	\$ 561,004	\$ 1,127,685	\$ 993,790
Amortization of tangible capital assets	1,871,540	1,871,540	1,906,945
Acquisition of tangible capital assets	(3,811,500)	(2,116,027)	(5,545,681)
Contributed tangible capital assets			(234,385)
Loss (gain) on sale of tangible capital assets			(11,100)
Proceeds on sale of tangible capital assets			11,100
Consumption (acquisition) of inventory		244,225	(115,823)
Consumption (acquisition) of prepaid expenses	<u> </u>	<u>13,353</u>	<u>(8,203)</u>
Increase (decrease) in net financial assets (liabilities)	\$ (1,378,956)	\$ 1,140,776	\$ (3,003,357)
Net financial assets (liabilities) at the beginning of the year	<u>(13,377,154)</u>	<u>(13,377,154)</u>	<u>(10,373,797)</u>
Net financial assets (liabilities) at the end of the year	<u>\$ (14,756,110)</u>	<u>\$ (12,236,378)</u>	<u>\$ (13,377,154)</u>

(See accompanying notes)

Township of Whitewater Region
Consolidated Statement of Cash Flows
For the year ended 31 December 2023
(with 2022 figures for comparison)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 1,127,685	\$ 993,790
Add (deduct) items which do not involve cash:		
- amortization	1,871,540	1,906,945
- contributed tangible capital asset		(234,385)
- loss (gain) on disposal of tangible capital assets		(11,100)
	<u>\$ 2,999,225</u>	<u>\$ 2,655,250</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	\$ (326,247)	\$ 36,830
- decrease (increase) in accounts receivable	(55,855)	27,970
- decrease (increase) in inventories of supplies	244,225	(115,823)
- increase (decrease) in accounts payable and accrued liabilities	(997,941)	646,941
- increase (decrease) in deferred revenue	273,161	91,246
- increase (decrease) in asset retirement obligation	71,562	20,000
- decrease (increase) in prepaid expenses	<u>13,353</u>	<u>(8,203)</u>
	<u>\$ (777,742)</u>	<u>\$ 698,961</u>
Cash flows from operating activities	<u>\$ 2,221,483</u>	<u>\$ 3,354,211</u>
Cash flows from financing activities:		
Increase (decrease) in OILC - advance	\$ (3,125,000)	\$ 3,125,000
Repayment of OILC debentures	(787,264)	(639,559)
Proceeds from OILC debentures	5,000,000	298,157
Temporary bank loan		<u>(125,000)</u>
Cash flows from financing activities	<u>\$ 1,087,736</u>	<u>\$ 2,658,598</u>
Cash flows used for capital activities:		
Additions to tangible capital assets:		
General government	\$ (265,985)	\$ (115,136)
Protection services	(37,732)	(92,566)
Transportation services	(1,420,391)	(3,912,378)
Environmental services	(285,071)	(1,353,902)
Recreation and cultural services	(106,848)	(71,699)
Proceeds from the sale of tangible capital assets		<u>11,100</u>
Cash flows used for capital activities	<u>\$ (2,116,027)</u>	<u>\$ (5,534,581)</u>
Increase (decrease) in cash and cash equivalents during the year	\$ 1,193,192	\$ 478,228
Cash and cash equivalents at the beginning of the year	<u>1,121,543</u>	<u>643,315</u>
Cash and cash equivalents at the end of the year	<u>\$ 2,314,735</u>	<u>\$ 1,121,543</u>

(See accompanying notes)

Township of Whitewater Region
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Whitewater Region are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Township and changes thereto. The Consolidated Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Township and is the difference between financial assets and liabilities. This information explains the Township's overall future revenue requirements and its ability to finance activities and meet its obligations.

(a) Reporting Entity

- (i) The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds, and changes in investment in tangible capital assets of the Township. 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 or controlled by the Township. Interdepartmental and organizational transactions and balances between these organizations are eliminated.

These consolidated financial statements include:

- Whitewater Region Public Library Board
- Whitewater Historical Society

- (ii) Accounting for County and School Board Transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the county and school boards are not reflected in the municipal fund balances of these financial statements.

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed.

(c) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

Township of Whitewater Region
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Tangible Capital Assets

- (i) Tangible capital assets (TCAs) are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Where the cost was not readily determinable, the assets were valued at their current fair market value and then discounted back to their in-service date using the Consumer Price Index (CPI). Land for road segments is valued at \$ 1.00 per segment. All other land is valued at cost. Where cost was not readily determinable, the land was given a value of \$ 1.00 per segment. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	15 - 40 years
Buildings	15 - 80 years
Machinery and equipment	5 - 30 years
Vehicles	10 - 50 years
Linear assets	15 - 100 years

Amortization is calculated commencing the first month of the year following acquisition using the above rates. In the year of disposal, a full year of amortization will be charged against the asset. Capital work in progress is not amortized until it is put into service.

The Township has a capitalization threshold of \$ 5,000, so that individual TCAs of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

(ii) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the assets as of the date of transfer.

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(e) Inventories

Inventories held for consumption are recorded at the lower of cost or replacement cost.

(f) Investment Income

Investment income earned on current funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on externally restricted funds is added to the fund balance and forms part of the respective deferred revenue balance.

(g) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

Township of Whitewater Region
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (h) **Deferred Revenue**
 Certain amounts are received pursuant to regulations or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.
- (i) **Deferred Revenue - Obligatory Reserve Funds**
 The Township receives restricted contributions under the authority of provincial and federal legislation and Township by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.
- (j) **Use of Estimates**
 The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. Significant estimates include the allowance for doubtful taxes, landfill closure and post closure costs, employee future benefits and amortization.
- (k) **Cash and Cash Equivalents**
 Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.
- (l) **Revenue Recognition**
 Taxation revenue consists of non-exchange transactions. It is recognized in the period to which the assessment relates and reasonable estimates of amounts can be made. Annual revenue also includes adjustments related to reassessments or appeals related to prior years. Fees and user charges relate to utility charges [water, wastewater, and solid waste], licensing fees, fees for use of various programming, and fees imposed based on specific activities. Revenue is recognized when the activity is performed or when the services are rendered.
- (m) **Financial Instruments**
 Financial instruments include cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, Ontario Infrastructure and Lands Corporation - advance and net long term liabilities. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments.
- The carrying amounts reported on the statement of financial position for cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, and Ontario Infrastructure and Lands Corporation - advance, approximates their fair values, due to the immediate and short term maturities of these financial instruments.
- The fair value of net long term liabilities, including the current portion, is based on rates currently available to the Municipality with similar terms and maturities and approximates its carrying amounts as disclosed on the statement of financial position.

2. AMOUNTS TO BE RECOVERED

Amounts to be recovered represent the requirement of the Township to raise funds in subsequent periods to asset retirement obligations, comprised of the landfill closure and post closure liabilities.

Township of Whitewater Region
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

3. INVESTMENTS

The investments are carried at cost and are comprised as follows:

147 Common shares of Ottawa River Power Corporation	\$	147,000
147 Special shares of Ottawa River Power Corporation		147
147 Common shares of Ottawa River Solutions Inc.		735
147 Special shares of Ottawa River Solutions Inc.		147
Promissory Note from Ottawa River Power Corporation 5.37%		<u>147,000</u>
	<u>\$</u>	<u>295,029</u>

4. OPERATIONS OF SCHOOL BOARDS AND COUNTY OF RENFREW

Requisitions were made by the School Boards and County of Renfrew 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:

	<u>School Boards</u>	<u>County</u>
Property taxes	\$ 1,817,920	\$ 3,806,844
Payments in lieu	<u>2,002</u>	<u>49,094</u>
	<u>\$ 1,819,922</u>	<u>\$ 3,855,938</u>

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the public sector accounting standards of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place because federal, provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds of the Township are summarized below:

(a) The balance of deferred revenue - obligatory reserve funds on the "Consolidated Statement of Financial Position" at the end of the year is comprised of the following externally restricted reserve funds:

	<u>2023</u>	<u>2022</u>
Water and Sewer Reserve Fund	\$ 13,881	\$ 13,874
CCBF - Federal	103,996	20,839
OCIF - Component based	119,544	6,525
Development charges	<u>278,410</u>	<u>201,432</u>
	<u>\$ 515,831</u>	<u>\$ 242,670</u>

Township of Whitewater Region
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS (Continued)

(b) Transactions during the year in the deferred revenue - obligatory reserve funds are as follows:

	<u>2023</u>	<u>2022</u>
Balance at the beginning of the year	\$ 242,670	\$ 151,424
CCBF - Federal revenue received	231,956	222,292
Development fees	76,978	159,216
OCIF revenue received	561,652	488,393
Interest earned	<u>21,687</u>	<u>5,365</u>
	\$ 1,134,943	\$ 1,026,690
Transfer for tangible capital asset acquisitions	(557,175)	(784,020)
Transfer to operations	<u>(61,937)</u>	<u></u>
Balance at the end of the year	<u>\$ 515,831</u>	<u>\$ 242,670</u>

6. ASSET RETIREMENT OBLIGATION

Asset retirement obligation at year end is as follows:

	<u>2023</u>	<u>2022</u>
Landfill closure and post closure costs	\$ 391,000	\$ 371,000
Increase in change in estimate	<u>71,562</u>	<u>20,000</u>
	<u>\$ 462,562</u>	<u>\$ 391,000</u>

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

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. Some closure costs are incurred on an ongoing basis and are included in the yearly fiscal operating budget. All remaining expected closure and post closure costs have been discounted at the Township's average long term borrowing rate, net of estimated inflation. There are currently no reserves set aside for either closure or post closure activities.

The reported liability is based on estimates and assumptions with respect to events extending over the useful life and estimated post closure care period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

Ross

The landfill is expected to reach its capacity in 20 years, and the estimated remaining capacity is 175,000 cubic meters, which is 47% of the site's total capacity. The total undiscounted future expenditures for closure and post-closure care are \$ 315,562 (2022 - \$ 264,500). The estimated length of time for post-closure care is 10 years.

Township of Whitewater Region
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

6. ASSET RETIREMENT OBLIGATION (Continued)

Cobden

This landfill reached capacity in 2002. The total undiscounted future expenditures for post-closure care are \$ 61,000 (2022 - \$ 57,500). The estimated length of time for post-closure care is 10 years.

Westmeath

This landfill reached capacity in 2008. The total undiscounted future expenditures for post-closure care are \$ 86,000 (2022 - \$ 69,000). The estimated length of time for post-closure care is 10 years.

7. CONTINGENT LIABILITIES

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. The Township is not aware of any claims or possible claims as at 31 December 2023.

8. BUDGET FIGURES

The operating budget approved by the Township of Whitewater Region for 2023 is reflected on the Consolidated Statement of Operations. The budget established for capital investment in tangible capital assets is 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. As well, the Township does not budget activity within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been reclassified for the purpose of these financial statements to comply with PSAB reporting requirements. The budget figures have not been audited.

9. TANGIBLE CAPITAL ASSETS

The Schedule of Tangible Capital Assets provides information on the tangible capital assets of the Township by major asset class and by function, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(i) Contributed Tangible Capital Assets

The Township records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are roadways, water and sewer lines installed by a developer as part of a subdivision agreement. In 2023 an external party contributed an asset with a value of \$ Nil (2022 - \$ 234,385) to recreation buildings.

(ii) Tangible Capital Assets Recognized at Nominal Value

Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant such assets are the Township's road allowances. The 2023 road network had segments, each of which has been assigned a value of one dollar for the road allowance itself.

Township of Whitewater Region
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

10. NET LONG TERM LIABILITIES	<u>2023</u>	<u>2022</u>
(a) OIPC loan payable, interest at 4.94%, \$ 42,471 blended payment, payable semi-annually, maturing June 2040	\$ 950,874	\$ 987,481
OIPC loan payable, interest at 3.35%, \$ 32,631 blended payment, payable semi-annually, maturing June 2027	213,850	270,520
OIPC loan payable, interest at 3.59%, \$ 5,664 blended payment, payable semi-annually, maturing June 2031	78,168	86,465
OIPC loan payable, interest at 3.9%, \$ 5,374 blended payment, payable semi-annually, maturing December 2041	138,096	143,306
OIPC loan payable, interest at 3.59%, \$ 4,234 blended payment, payable semi-annually, maturing December 2031	58,429	64,631
OIPC loan payable, interest at 3.39%, \$ 11,081 blended payment, payable semi-annually, maturing February 2039	265,493	278,328
OIPC loan payable, interest at 2.64%, \$ 33,426 principal only payment, payable semi-annually, maturing September 2024	33,426	66,853
OIPC loan payable, interest at 3.39%, \$ 41,555 blended payment, payable semi-annually, maturing February 2039	995,598	1,043,729
OIPC loan payable, interest at 3.01%, \$ 13,432 blended payment, payable semi-annually, maturing February 2029	135,233	157,521
OIPC loan payable, interest at 2.68%, \$ 40,902 blended payment, payable semi-annually, maturing February 2024	40,361	119,488
OIPC loan payable, interest at 3.39%, \$ 2,770 blended payment, payable semi-annually, maturing February 2039	66,373	69,582
OIPC loan payable, interest at 1.04%, \$ 40,536 blended payment, payable semi-annually, maturing August 2025	160,058	238,851
OIPC loan payable, interest at 2.78%, \$ 9,683 blended payment, payable semi-annually, maturing February 2045	311,832	322,309
OIPC loan payable, interest at 2.48%, \$ 28,582 blended payment, payable semi-annually, maturing February 2030	341,223	389,035
OIPC loan payable, interest at 2.98%, \$ 151,969 blended payment, payable semi-annually, maturing October 2051	5,744,074	5,873,929
OIPC loan payable, interest at 1.32%, \$ 16,330 blended payment, payable semi-annually, maturing September 2026	95,755	126,843
OIPC loan payable, interest at 1.44%, \$ 38,711 blended payment, payable semi-annually, maturing November 2026	226,521	299,887

Township of Whitewater Region
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

10. NET LONG TERM LIABILITIES (Continued)

OIPC loan payable, interest at 3.81%, \$ 151,494 blended payment, payable semi-annually, maturing January 2033	2,396,130	
OIPC loan payable, interest at 4.51%, \$ 156,680 blended payment, payable semi-annually, maturing December 2033	<u>2,500,000</u>	<u> </u>
Net long term liabilities at the end of the year	<u>\$ 14,751,494</u>	<u>\$ 10,538,758</u>

(b) Principal and interest payments required on the net long term liabilities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,076,235	\$ 505,149	\$ 1,581,384
2025	1,035,408	470,985	1,506,393
2026	988,302	437,019	1,425,321
2027	879,798	402,811	1,282,609
2028	879,862	370,116	1,249,978
2029 to 2033	4,399,394	1,344,041	5,743,435
2034 onward	<u>5,492,495</u>	<u>1,458,678</u>	<u>6,951,173</u>
	<u>\$ 14,751,494</u>	<u>\$ 4,988,799</u>	<u>\$ 19,740,293</u>

(c) The Municipality is contingently liable for debt with respect to tile drainage loans made by landowners with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). The Municipality collects the loan repayments from the owners and remits them to OMAFRA. The Municipality does not have any history of default payments on the loans. The total amount outstanding as at 31 December 2023 is \$ 45,629 (2022 - \$ 58,697) and is not recorded on the statement of financial position.

11. CHARGES FOR NET LONG TERM LIABILITIES

(a) Total charges for the year for net long term liabilities are as follows:

	<u>2023</u>	<u>2022</u>
Principal	\$ 787,264	\$ 639,559
Interest	<u>371,046</u>	<u>335,514</u>
	<u>\$ 1,158,310</u>	<u>\$ 975,073</u>

These payments are within the annual debt repayment limit as prescribed by the Ministry of Municipal Affairs and Housing under Ontario Regulation 403/02.

(b) The interest charges shown in (a) above are reported on the Consolidated Statement of Operations under the appropriate functional expenditure heading.

Township of Whitewater Region
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2023</u>	<u>2022</u>
Tangible capital assets - net	\$ 46,807,242	\$ 46,562,755
Net long term liabilities (Note 10)	(14,751,494)	(10,538,758)
Amounts to be funded in future years	<u>(149,943)</u>	<u>(4,192,701)</u>
Equity in tangible capital assets	<u>\$ 31,905,805</u>	<u>\$ 31,831,296</u>

13. PENSION CONTRIBUTIONS

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. During the year ended 31 December 2023, the Municipality contributed \$ 225,431 (2022 - \$ 208,535) to the plan and is included as an expense in the consolidated statement of operations. The Township does not recognize in its consolidated financial statements any share of the pension plan surplus as this is a joint responsibility of all Ontario municipalities and their employees. The pension plan deficit for 2023 was \$ (7,571,000,000) (2022 - deficit of \$ 6,100,000,000) based on the fair market value of the Plan's assets.

14. CONTRACTUAL OBLIGATIONS

In 2022, the Township renewed its' contract with Ontario Clean Water Agency for a two year term. The fixed price contract was established for water and sewage treatment. The annual cost of this contract was \$ 1,011,296 (2022 - \$ 1,009,623) and is adjusted annually for inflation and insurance.

The Township has not negotiated a contract with the Ontario Provincial Police for the provision of policing services, however the Ontario Provincial Police provide policing services on an annual basis. Annual charges are determined based on the level of service and are reconciled to actual costs in the following year. The contract for 2023 was \$ 1,002,046 (2022 - \$ 1,036,657).

In 2020, the Township entered into a 5 year contract with Miller Waste Systems Inc. for the collection of curbside garbage. Annual charges are determined by reference to the Township's number of households. The contract for 2023 was \$ 229,094 (2022 - \$ 223,506).

In 2020, the Township entered into a 5 year contract with Miller Waste Systems Inc. for the collection and disposal of recycled materials. Annual charges are determined by reference to the Township's number of households. The contract for 2023 was \$ 291,577 (2022 - \$ 284,465).

15. OPERATING LOAN

Operating loan payable of \$ Nil (2022 - \$ Nil), bears interest at prime and is secured by a general security agreement. Advances and repayments occur on a revolving basis and total available financing under the agreement is \$ 600,000.

16. SEGMENTED INFORMATION

(a) The Township is responsible for providing a wide range of services to its' citizens. The Township reports on functional areas and programs in its' consolidated financial statements. A brief description of each segment follows:

- i) General government is comprised of Council and administration and is responsible for the overall governance and management of the Municipality.
- ii) Protection is comprised of police, fire, and other protective services.
- iii) Transportation is comprised of roads including parking, signs and signals, streetlights and the maintenance of roads of the Township.

Township of Whitewater Region
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

16. SEGMENTED INFORMATION (Continued)

- iv) Environmental services include water supply and distribution, wastewater treatment, and solid waste and recycling services.
- v) Social services include expenses related to resident support programs.
- vi) Recreation and cultural services include parks and recreation and libraries.
- vii) Planning and development services are comprised of managing development for residential and business interests, as well as infrastructure and parks.

- (b) For each functional area, expenditures represent both amounts that are directly attributable to the functional area and amounts that are allocated on a reasonable basis. The expenditures for 31 December 2023 are as follows:

	Salaries and benefits	Interest on long term debt	Materials and contracted services	Rent, financial expense and external transfers	Amortization	Total
General government	\$ 892,781	\$ 1,542	\$ 521,230	\$ 7,066	\$ 59,542	\$ 1,482,161
Protection services	683,126	18,241	1,345,475		155,848	2,202,690
Transportation services	1,230,398	106,352	1,527,414	16,113	1,174,083	4,054,360
Environmental services	221,325	244,911	2,120,115		345,181	2,931,532
Social services	49,309		17,015			66,324
Recreation services	527,163		425,638		128,567	1,081,368
Planning and development	<u>182,668</u>		<u>80,635</u>		<u>8,319</u>	<u>271,622</u>
	<u>\$ 3,786,770</u>	<u>\$ 371,046</u>	<u>\$ 6,037,522</u>	<u>\$ 23,179</u>	<u>\$ 1,871,540</u>	<u>\$ 12,090,057</u>

- (c) The expenditures for 31 December 2022 are as follows:

	Salaries and benefits	Interest on long term debt	Materials and contracted services	Rent, financial expense and external transfers	Amortization	Total
General government	\$ 901,708	\$ 2,425	\$ 553,067	\$ 12,168	\$ 70,097	\$ 1,539,465
Protection services	613,745	19,691	1,373,674		148,182	2,155,292
Transportation services	1,186,479	61,720	1,625,861	99,099	1,213,333	4,186,492
Environmental services	258,026	251,675	2,074,680		346,434	2,930,815
Social services	29,417		48,354			77,771
Recreation services	636,311		447,795		120,580	1,204,686
Planning and development	<u>177,681</u>		<u>160,713</u>		<u>8,319</u>	<u>346,713</u>
	<u>\$ 3,803,367</u>	<u>\$ 335,511</u>	<u>\$ 6,284,144</u>	<u>\$ 111,267</u>	<u>\$ 1,906,945</u>	<u>\$ 12,441,234</u>

Township of Whitewater Region
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

16. SEGMENTED INFORMATION (Continued)

(d) For each functional area, revenues represent both amounts that are directly attributable to the functional area and amounts that are allocated on a reasonable basis. The revenues for 31 December 2023 are as follows:

	<u>Taxes</u>	<u>User charges and other revenues</u>	<u>Government transfers - Ontario</u>	<u>Government transfers - Canada</u>	<u>Total</u>
General government	\$ 7,647,182	\$ 346,922	\$ 1,219,251		\$ 9,213,355
Protection services		215,017	74,923		289,940
Transportation services		31,230	466,521	\$ 154,761	652,512
Environmental services		2,492,772	212,202		2,704,974
Social services		2,978			2,978
Recreation services		280,065	29,571	8,680	318,316
Planning and development		30,900	4,767		35,667
	<u>\$ 7,647,182</u>	<u>\$ 3,399,884</u>	<u>\$ 2,007,235</u>	<u>\$ 163,441</u>	<u>\$ 13,217,742</u>

(e) The revenues for 31 December 2022 are as follows:

	<u>Taxes</u>	<u>User charges and other revenues</u>	<u>Government transfers - Ontario</u>	<u>Government transfers - Canada</u>	<u>Total</u>
General government	\$ 6,950,951	\$ 642,977	\$ 1,251,939		\$ 8,845,867
Protection services		239,217	34,269		273,486
Transportation services		29,718	1,158,208	\$ 237,002	1,424,928
Environmental services		2,196,057	155,083		2,351,140
Social services			105,260	25,000	130,260
Recreation services		264,196	42,844	3,228	310,268
Planning and development		68,795	30,280		99,075
	<u>\$ 6,950,951</u>	<u>\$ 3,440,960</u>	<u>\$ 2,777,883</u>	<u>\$ 265,230</u>	<u>\$ 13,435,024</u>

17. ONTARIO INFRASTRUCTURE AND LANDS CORPORATION - ADVANCE

The advance is due on demand with a variable interest rate determined by Ontario Infrastructure and Lands Corporation and has a maximum draw of \$ 5,000,000, with a balance at 31 December 2023 of \$ Nil (2022 - \$ 3,125,000). As the capital projects and capital purchases are completed they will be debentured individually with Ontario Infrastructure and Lands Corporation.

18. NON ACCRUAL OF INTEREST ON LONG TERM LIABILITIES

No provision has been made in these financial statements for the accrual of interest on the net long term liabilities. Had the provision been made, the reserve balance at 31 December 2023 would have decreased and expenditures would have increased by \$ 51,804 (2022 - \$ 54,737).

Township of Whitewater Region
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

19. CHANGE IN ACCOUNTING POLICIES

On 1 January 2022, the Township adopted Public Accounting Standard PS 3280 Asset Retirement Obligation on a (ARO) modified retrospective basis.

PS 3280 Asset Retirement Obligations (ARO) establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.

Previously, the Municipality reported its obligations relating to the retirement of its landfill including closure and post closure activities provided for over the estimated remaining life of the landfill site based on usage.

The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as landfill closure and post closure costs. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method the discount rate used for the application of the standard was 5%.

On 1 January 2022, the Township recognized an asset retirement obligation relating to landfills that are owned by the Township for landfill closure and post closure costs.

The ARO liability relating to the landfill closure and post closure costs is measured as of the date of acquisition of the landfills, when the liability was created and is calculated based on current costs without discounting to the date of the initial landfill acquisition.

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

An increase in the tangible capital assets of \$ 3,005, representing the net book value of the landfill sites.

An increase in the opening equity in tangible capital assets of \$ 3,005 to reflect the recognition of the original ARO liability and accompanying increase in amortization expense.

Township of Whitewater Region
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

19. CHANGE IN ACCOUNTING POLICIES (Continued)

The adoption of PS 3280 Asset Retirement Obligations (ARO) has been applied to the comparative period as follows:

	<u>As Previously Stated</u>	<u>Adjustments</u>	<u>Restated</u>
<u>Statement of Financial Position</u>			
Tangible capital assets including ARO	\$ 46,559,880	\$ 2,875	\$ 46,562,755
Accumulated surplus (deficit)	31,828,421	2,875	31,831,296
<u>Statement of Changes in Net Financial Assets</u>			
Excess of revenue over expenses	\$ 993,920	\$ (130)	\$ 993,790
Amortization of TCA (incl. TCA-ARO)	1,906,815	130	1,906,945
<u>Statement of Operations and Accumulated Surplus</u>			
Environmental services	\$ 2,930,685	\$ 130	\$ 2,930,815
Excess of revenue over expenses	993,920	(130)	993,790
<u>Statement of Cash Flows</u>			
Excess of revenue over expenses	\$ 993,920	\$ (130)	\$ 993,790
Amortization of TCA (incl. TCA-ARO)	1,906,815	130	1,906,945
<u>Note 12 Equity in Tangible Capital Assets</u>			
Tangible capital assets - net	\$ 46,559,880	\$ 2,875	\$ 46,562,755
<u>Note 16 Segmented Information</u>			
Amortization of TCA (incl. TCA-ARO)	\$ 1,906,815	\$ 130	\$ 1,906,945
<u>Schedule of General Operations</u>			
Environmental services	\$ 1,777,407	\$ 130	\$ 1,777,537
Transfer from (to) equity in TCA	(1,840,419)	130	(1,840,289)

Township of Whitewater Region

Schedule of General Operations

For the year ended 31 December 2023

(with 2023 budget and 2022 actual figures for comparison)

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
Revenue:			
Net municipal taxation	\$ 7,491,215	\$ 7,647,180	\$ 7,213,764
User charges	951,500	978,595	855,452
Government transfers:			
Ontario	1,936,900	1,989,918	2,734,852
Canada	215,000	154,761	287,002
Other municipalities	9,000	14,516	8,000
Other	<u>1,290,450</u>	<u>1,159,141</u>	<u>1,414,549</u>
	<u>\$ 11,894,065</u>	<u>\$ 11,944,111</u>	<u>\$ 12,513,619</u>
Expenses:			
General government	\$ 1,483,742	\$ 1,482,158	\$ 1,539,463
Protection to persons and property	2,207,848	2,202,691	2,155,292
Transportation services	4,278,088	4,065,248	4,186,490
Environmental services	1,819,317	1,996,338	1,777,537
Social services	60,800	66,324	77,771
Recreation and cultural services	1,194,267	969,913	1,130,267
Planning and development	<u>331,019</u>	<u>245,834</u>	<u>281,472</u>
	<u>\$ 11,375,081</u>	<u>\$ 11,028,506</u>	<u>\$ 11,148,292</u>
Excess of revenue over expenses	<u>\$ 518,984</u>	<u>\$ 915,605</u>	<u>\$ 1,365,327</u>
Transfers:			
Transfer to Whitewater Region Public Library	\$ (85,800)	\$ (80,800)	\$ (85,000)
Transfer to Whitewater Historical Society	(8,100)	(4,750)	(7,650)
Transfer from (to) reserves	(312,560)	(704,716)	547,612
Transfer from (to) asset retirement obligation		71,562	20,000
Transfer to equity in tangible capital assets	<u>(112,524)</u>	<u>(196,901)</u>	<u>(1,840,289)</u>
Net transfers	<u>\$ (518,984)</u>	<u>\$ (915,605)</u>	<u>\$ (1,365,327)</u>
Change in general surplus for the year	\$ -	\$ -	\$ -
General surplus at the beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>
General surplus at the end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes)

Township of Whitewater Region
Schedule of Tangible Capital Assets

For the year ended 31 December 2023
(with 2022 figures for comparison)

Segmented by asset class: <u>Cost</u>	Balance at 31 December <u>2022</u>	<u>Additions</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2023</u>
Land	\$ 554,702			\$ 554,702
Land improvements	895,906	\$ 16,825		912,731
Buildings	19,149,764			19,149,764
Linear assets	50,329,653	564,285	\$ 2,887,295	53,781,233
Machinery and equipment	2,683,384	190,877	94,255	2,968,516
Vehicles	7,565,776	94,977		7,660,753
Capital work in progress	<u>17,417,889</u>	<u>1,249,063</u>	<u>(2,981,550)</u>	<u>15,685,402</u>
Total	<u>\$ 98,597,074</u>	<u>\$ 2,116,027</u>	<u>\$ -</u>	<u>\$ 100,713,101</u>

<u>Accumulated amortization</u>	Balance at 31 December <u>2022</u>	<u>Amortization</u>	Disposals, write-offs and adjustments	Balance at 31 December <u>2023</u>
Land improvements	\$ 404,923	\$ 22,645	\$ -	\$ 427,568
Buildings	10,949,543	312,995		11,262,538
Linear assets	36,286,082	980,729		37,266,811
Machinery and equipment	1,389,992	146,184		1,536,176
Vehicles	<u>3,003,779</u>	<u>408,987</u>		<u>3,412,766</u>
Total	<u>\$ 52,034,319</u>	<u>\$ 1,871,540</u>	<u>\$ -</u>	<u>\$ 53,905,859</u>

<u>Net book value</u>	Balance at 31 December <u>2022</u>	Balance at 31 December <u>2023</u>
Land	\$ 554,702	\$ 554,702
Land improvements	490,983	485,163
Buildings	8,200,221	7,887,226
Linear assets	14,043,571	16,514,422
Machinery and equipment	1,293,392	1,432,340
Vehicles	4,561,997	4,247,987
Capital work in progress	<u>17,417,889</u>	<u>15,685,402</u>
Total	<u>\$ 46,562,755</u>	<u>\$ 46,807,242</u>

(See accompanying notes)

Township of Whitewater Region
Schedule of Tangible Capital Assets

For the year ended 31 December 2023
(with 2022 figures for comparison)

Segmented by function: <u>Cost</u>	Balance at 31 December <u>2022</u>	<u>Additions</u>	Disposals, write-offs and <u>adjustments</u>	Balance at 31 December <u>2023</u>
General government	\$ 2,310,034	\$ 265,985	\$ -	\$ 2,576,019
Protection services	3,726,149	37,732		3,763,881
Transportation services	54,161,022	1,420,391		55,581,413
Environmental services	32,575,967	285,071		32,861,038
Recreation and cultural services	5,472,000	106,848		5,578,848
Planning and development	<u>351,902</u>			<u>351,902</u>
Total	<u>\$ 98,597,074</u>	<u>\$ 2,116,027</u>	<u>\$ -</u>	<u>\$ 100,713,101</u>

<u>Accumulated amortization</u>	Balance at 31 December <u>2022</u>	<u>Amortization</u>	Disposals, write-offs and <u>adjustments</u>	Balance at 31 December <u>2023</u>
General government	\$ 755,223	\$ 59,542	\$ -	\$ 814,765
Protection services	1,645,417	155,848		1,801,265
Transportation services	36,127,669	1,174,083		37,301,752
Environmental services	9,907,680	345,181		10,252,861
Recreation and cultural services	3,404,494	128,567		3,533,061
Planning and development	<u>193,836</u>	<u>8,319</u>		<u>202,155</u>
Total	<u>\$ 52,034,319</u>	<u>\$ 1,871,540</u>	<u>\$ -</u>	<u>\$ 53,905,859</u>

<u>Net book value</u>	Balance at 31 December <u>2022</u>	Balance at 31 December <u>2023</u>
General government	\$ 1,554,811	\$ 1,761,254
Protection services	2,080,732	1,962,616
Transportation services	18,033,353	18,279,661
Environmental services	22,668,287	22,608,177
Recreation and cultural services	2,067,506	2,045,787
Planning and development	<u>158,066</u>	<u>149,747</u>
Total	<u>\$ 46,562,755</u>	<u>\$ 46,807,242</u>

(See accompanying notes)

Township of Whitewater Region
Schedule of Reserves and Reserve Funds
For the year ended 31 December 2023
(with 2022 figures for comparison)

	<u>2023</u>	<u>2022</u>
Contributions:		
From operations	\$ 1,805,180	\$ 564,753
Other	<u>67</u>	<u>323</u>
	<u>\$ 1,805,247</u>	<u>\$ 565,076</u>
Transfers:		
Transfer to operations	\$ 34,658	\$ 286,738
Transfer for tangible capital asset acquisitions	<u>632,506</u>	<u>1,073,203</u>
	<u>\$ 667,164</u>	<u>\$ 1,359,941</u>
Change in reserves and reserve funds balance	\$ 1,138,083	\$ (794,865)
Reserves and reserve funds at the beginning of the year	<u>2,096,522</u>	<u>2,891,387</u>
Reserves and reserve funds at the end of the year	<u>\$ 3,234,605</u>	<u>\$ 2,096,522</u>
Reserves:		
Working funds	\$ 1,184,746	\$ 771,574
General government	19,500	16,521
Protection services	226,515	107,815
Roadways	358,707	167,831
Wastewater system	268,017	336,093
Waterworks system	785,724	352,424
Solid waste disposal	207,462	150,397
Health services	66,198	66,198
Recreation	72,766	82,766
Planning	15,199	15,199
Sick leave	<u>3,267</u>	<u>3,267</u>
Total reserves	\$ 3,208,101	\$ 2,070,085
Discretionary reserve fund set aside for specific purpose:		
Wastewater system	<u>26,504</u>	<u>26,437</u>
Total reserves and reserve funds	<u>\$ 3,234,605</u>	<u>\$ 2,096,522</u>

(See accompanying notes)

Whitewater Region Public Library Board

Financial Statements

For the year ended 31 December 2023

MACKILLICAN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS



INDEPENDENT AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Whitewater Region.

Opinion

We have audited the financial statements of the Whitewater Region Public Library Board (the Library Board), which comprise the statement of financial position as at 31 December 2023, and the statement of operations and accumulated surplus and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library Board as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

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 Library Board 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 PSAS, 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 Library Board'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 Library Board or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

620 Barnet Blvd.
Renfrew ON, K7V 0A8
T: 613.432.3664 | F: 613.432.8424
Email: info@mackillicans.com | Website: www.mackillicans.com

J.D. Healey, CPA, CA, LPA / R.K. Richards, CPA, CA, LPA / B.D. Thompson, CPA, CA, LPA / D.J. Thompson, CPA, CA, LPA

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 Library Board'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 Library Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Library Board 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Library Board to express an opinion on the 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.

RENFREW, Ontario.
16 October 2024.

MacKillicon & Associates

Chartered Professional Accountants,
Licensed Public Accountants.

Whitewater Region Public Library Board

Statement of Financial Position

As at 31 December 2023

(with 2022 figures for comparison)

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash on hand and in bank	\$ 43,975	\$ 32,977
Term deposits	11,533	11,315
Due from Canada	<u> </u>	<u>1,479</u>
	<u>\$ 55,508</u>	<u>\$ 45,771</u>
Liabilities:		
Accounts payable	\$ 1,343	\$ 2,996
Due to Township	22,561	
Due to Ontario	<u>460</u>	<u>460</u>
	<u>\$ 24,364</u>	<u>\$ 3,456</u>
Net financial assets	<u>\$ 31,144</u>	<u>\$ 42,315</u>
Accumulated surplus	<u>\$ 31,144</u>	<u>\$ 42,315</u>

(See accompanying notes)

Whitewater Region Public Library Board

Statement of Operations and Accumulated Surplus

For the year ended 31 December 2023

(with 2023 budget and 2022 actual figures for comparison)

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
Revenue:			
Grants from the Province of Ontario - operating	\$ 13,517	\$ 13,517	\$ 13,517
- pay equity	2,278	2,278	2,278
- Trillium	600		2,049
Municipal grant	85,000	84,233	85,000
Summer Family Fun Grant	850		750
IDAO Grant			500
Winter Family Fun Grant	150	700	
Sarah Badgley Grant	493	493	
Fines and sale of books	1,810	1,892	3,020
Investment income	218	218	206
Donations and fundraising	<u>12,672</u>	<u>7,142</u>	<u>5,754</u>
	<u>\$ 117,588</u>	<u>\$ 110,473</u>	<u>\$ 113,074</u>
Expenses:			
Bank charges	\$ 570	\$ 221	\$ 409
Books and videos	23,030	21,699	20,852
Insurance	1,240	1,258	1,182
Postage, telephone and internet	5,400	4,813	5,529
Repairs and maintenance	1,200	1,054	470
Rent	2,400	2,400	2,400
Salaries	64,000	77,068	75,032
MacWha scholarship	1,000	500	1,000
Supplies	13,848	9,999	14,707
Travel and training	1,900	1,392	1,238
Utilities	<u>3,000</u>	<u>1,240</u>	<u>1,621</u>
	<u>\$ 117,588</u>	<u>\$ 121,644</u>	<u>\$ 124,440</u>
Excess (shortfall) of revenue over expenses	\$ -	\$ (11,171)	\$ (11,366)
Accumulated surplus at the beginning of the year	<u>42,315</u>	<u>42,315</u>	<u>53,681</u>
Accumulated surplus at the end of the year	<u>\$ 42,315</u>	<u>\$ 31,144</u>	<u>\$ 42,315</u>

(See accompanying notes)

Whitwater Region Public Library Board

Statement of Cash Flows

For the year ended 31 December 2023
(with 2022 actual figures for comparison)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Excess (shortfall) of revenue over expenses	\$ <u>(11,171)</u>	\$ <u>(11,366)</u>
Net change in non cash working capital balance related to operations:		
- decrease (increase) in term deposits	\$ (218)	\$ (206)
- decrease (increase) in due from Canada	1,479	69
- increase (decrease) in accounts payable	(1,653)	(1,013)
- increase (decrease) in due to Township	22,561	(3,955)
- increase (decrease) in due to Ontario	<u> </u>	<u>(2,048)</u>
	\$ <u>22,169</u>	\$ <u>(7,153)</u>
Cash flows from (used for) operating activities	\$ <u>10,998</u>	\$ <u>(18,519)</u>
Net increase (decrease) in cash during the year	\$ 10,998	\$ (18,519)
Cash on hand and in bank at the beginning of the year	<u>32,977</u>	<u>51,496</u>
Cash on hand and in bank at the end of the year	<u><u>43,975</u></u>	<u><u>32,977</u></u>

(See accompanying notes)

Whitewater Region Public Library Board

Notes to the Financial Statements

For the year ended 31 December 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Whitewater Region Public Library Board are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(b) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

(c) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(e) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

Whitewater Region Public Library Board

Notes to the Financial Statements

For the year ended 31 December 2023

2. FINANCIAL INSTRUMENTS

Financial instruments include cash on hand and in bank, term deposits, accounts payable, due to Township and due to Ontario. Unless otherwise noted, it is management's opinion that the Library Board is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash on hand and in bank, term deposits, accounts payable, due to Township and due to Ontario, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

3. CONTINGENT LIABILITIES

The nature of the Board's activities is such that there may be litigation pending or in prospect at any time. The Library Board is not aware of any claims or possible claims as at 31 December 2023.

Whitewater Historical Society

Financial Statements

For the year ended 31 December 2023



INDEPENDENT AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Whitewater Region.

Opinion

We have audited the financial statements of the Whitewater Historical Society (the Society), which comprise the statement of financial position as at 31 December 2023, and the statement of operations and accumulated surplus for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at 31 December 2023, and its financial performance for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

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 Society 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 PSAS, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Society to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Mackillicon & Associates

RENFREW, Ontario.

16 October 2024.

Chartered Professional Accountants,

Licensed Public Accountants.

Whitewater Historical Society
Statement of Financial Position
For the year ended 31 December 2023
(with 2022 figures for comparison)

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash on hand in bank	\$ 13,796	\$ 22,648
Due from Canada	<u>8,680</u>	<u> </u>
	<u>\$ 22,476</u>	<u>\$ 22,648</u>
Liability:		
Due to Township of Whitewater Region	<u>\$ 10,370</u>	<u>\$ 8,369</u>
Net financial assets	<u>\$ 12,106</u>	<u>\$ 14,279</u>
Accumulated surplus	<u>\$ 12,106</u>	<u>\$ 14,279</u>

(See accompanying notes)

Whitewater Historical Society
Statement of Operations and Accumulated Surplus
For the year ended 31 December 2023
(with 2022 figures for comparison)

	<u>2023</u>	<u>2022</u>
Revenue:		
Government of Canada	\$ 8,680	\$ 3,228
Municipal grant	4,750	7,650
Fundraising and donations	<u>3,428</u>	<u>6,082</u>
	<u>\$ 16,858</u>	<u>\$ 16,960</u>
Expenses:		
Building maintenance	\$ 930	\$ 175
Office, advertising and supplies	7,155	5,464
Salaries	10,370	3,999
Utilities	<u>576</u>	<u>5,584</u>
	<u>\$ 19,031</u>	<u>\$ 15,222</u>
Excess (shortfall) of revenue over expenses	\$ (2,173)	\$ 1,738
Accumulated surplus at the beginning of the year	<u>14,279</u>	<u>12,541</u>
Accumulated surplus at the end of the year	<u>\$ 12,106</u>	<u>\$ 14,279</u>

(See accompanying notes)

Whitewater Historical Society
Notes to the Financial Statements
For the year ended 31 December 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Whitewater Historical Society are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(b) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

(c) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(e) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

2. FINANCIAL INSTRUMENTS

Financial instruments include cash on hand and in bank and due to Township of Whitewater Region. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Whitewater Historical Society
Notes to the Financial Statements
For the year ended 31 December 2023

2. FINANCIAL INSTRUMENTS (Continued)

The carrying amounts reported on the statement of financial position for cash on hand and in bank and due to Township of Whitewater Region, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

3. CONTINGENT LIABILITIES

The nature of the Society's activities is such that there may be litigation pending or in prospect at any time. The Society is not aware of any claims or possible claims as at 31 December 2023.