

**THE CORPORATION OF THE
TOWNSHIP OF ALGONQUIN HIGHLANDS
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023**

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS
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THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

Management's Responsibility for the Consolidated Financial Statements

The management of the Corporation of the Township of Algonquin Highlands (the "Municipality") is responsible for the integrity, objectivity and accuracy of the financial information presented in the accompanying financial statements.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada ("CPA"). A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements.

The Municipality's management maintains a system of internal controls designed to provide a reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded 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.

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 the approval of the consolidated financial statements.

The consolidated financial statements have been audited by Pahapill and Associates Professional Corporation, independent external auditors appointed by the Municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.



Angie Bird
Chief Administrative Officer



K. Jean Hughes (Jun 20, 2024 11:51 EDT)

Jean Hughes
Treasurer

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of Algonquin Highlands

Opinion

We have audited the consolidated financial statements of The Corporation of the Township of Algonquin Highlands, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, the consolidated change in its net financial assets (debt) and its consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Algonquin Highlands as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 in the financial statements, which describes the effects of Canadian public sector accounting standards adopted by the Municipality. Our opinion is not modified in respect of this matter.

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 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 Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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. 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 Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Municipality 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 Municipality 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.

Pahapill and Associates

Huntsville, Ontario
June 20, 2024

Pahapill and Associates Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 10,092,494	\$ 9,937,303
Accounts receivable, no allowance	1,654,411	1,532,706
	11,746,905	11,470,009
LIABILITIES		
Accounts payable and accrued liabilities	1,519,540	1,372,866
Deferred revenue (Note 5)	601,394	521,028
Landfill closure and post-closure liability (Note 8)	-	993,342
Asset retirement obligations (Note 9)	2,102,641	-
	4,223,575	2,887,236
NET FINANCIAL ASSETS	7,523,330	8,582,773
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Schedule 1)	18,496,292	15,662,933
Inventories of supplies	53,482	25,311
Prepaid expenses	17,745	8,496
	18,567,519	15,696,740
ACCUMULATED SURPLUS	\$ 26,090,849	\$ 24,279,513

CONTINGENT LIABILITIES (Note 10)

COMMITMENTS (Note 11)

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget 2023 (Note 13)	Actual 2023	Actual 2022
REVENUE			
Property taxes	\$ 6,489,909	\$ 6,551,759	\$ 6,248,166
User fees	1,638,651	1,794,533	1,704,910
Government transfers	1,420,739	1,422,346	1,537,767
Other municipalities	248,609	196,881	215,119
Other	1,141,500	1,590,359	1,173,835
TOTAL REVENUE	10,939,408	11,555,878	10,879,797
EXPENSES			
General government	1,641,012	1,555,113	1,355,275
Protection to persons and property	2,462,698	2,419,747	2,167,205
Transportation services	3,878,236	3,541,892	3,467,051
Environmental services	1,382,585	1,155,708	1,091,073
Landfill	-	(676,960)	(333,745)
Health services	20,940	95,219	42,102
Recreation and culture	1,773,152	1,483,408	1,387,405
Planning and development	205,930	170,415	149,326
TOTAL EXPENSES	11,364,553	9,744,542	9,325,692
ANNUAL SURPLUS	(425,145)	1,811,336	1,554,105
ACCUMULATED SURPLUS, BEGINNING OF YEAR	24,279,513	24,279,513	22,725,408
ACCUMULATED SURPLUS, END OF YEAR	\$ 23,854,368	\$ 26,090,849	\$ 24,279,513

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget 2023 (Note 13)	Actual 2023	Actual 2022
Annual surplus	\$ (425,145)	\$ 1,811,336	\$ 1,554,105
Acquisition of tangible capital assets	(4,569,904)	(4,569,904)	(1,932,606)
Amortization of tangible capital assets	1,730,460	1,730,460	1,587,386
Loss (gain) on sale of tangible capital assets	-	(50,988)	28,508
Proceeds on sale of tangible capital assets	-	57,073	-
Consumption of supplies inventories	-	(28,171)	531
Use of prepaid expenses	-	(9,249)	(1,938)
Increase in net financial assets	(3,264,589)	(1,059,443)	1,235,986
Net financial assets, beginning of year	8,582,773	8,582,773	7,346,787
Net financial assets, end of year	\$ 5,318,184	\$ 7,523,330	\$ 8,582,773

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
Operating transactions		
Annual surplus (deficit)	\$ 1,811,336	\$ 1,554,105
Non-cash charges to operations:		
Amortization	1,730,460	1,587,386
Loss (gain) on sale of tangible capital assets	(50,988)	28,508
	3,490,808	3,169,999
Changes in non-cash assets and liabilities:		
Accounts receivable	(121,705)	84,093
Accounts payable and accrued liabilities	146,674	665,092
Deferred revenue-general	80,366	41,891
Landfill closure and post closure liability	1,109,299	(333,745)
Inventories of supplies	(28,171)	531
Prepaid expenses	(9,249)	(1,938)
	1,177,214	455,924
Cash provided by operating transactions	4,668,022	3,625,923
Capital transactions		
Acquisition of tangible capital assets	(4,569,904)	(1,932,606)
Proceeds on disposal of tangible capital asset	57,073	-
Cash applied to capital transactions	(4,512,831)	(1,932,606)
Investing transactions		
Cash provided by investing transactions	-	-
Financing transactions		
Cash applied to financing transactions	-	-
Net change in cash and cash equivalents	155,191	1,693,317
Cash and cash equivalents, beginning of year	9,937,303	8,243,986
Cash and cash equivalents, end of year	\$ 10,092,494	\$ 9,937,303
Cash flow supplementary information:		
Taxation and investment interest income received	\$ 739,967	\$ 374,493
Net interest received	\$ 739,967	\$ 374,493

The accompanying notes and schedules are an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

The Corporation of the Township of Algonquin Highlands 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, 2001, Planning Act, Building Code Act and other related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Algonquin Highlands (the "Municipality") are prepared by management in accordance with Canadian public sector accounting standards for local governments as recommended in the Public Sector Accounting Board "PSAB" of the Chartered Professional Accountants Canada. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Reporting Entity

These consolidated statements reflect the assets, liabilities, revenues, expenses and reserve and reserve fund balances of the reporting entity. The reporting entity is comprised of all committees of Council and the boards, joint boards and municipal enterprises for which Council is politically accountable as follows:

(i) Consolidated entities

The following local boards are consolidated:

Algonquin Highlands Cemetery Board

Inter-organizational transactions and balances between these organizations are eliminated.

(ii) Accounting for school board and the County of Haliburton transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the County of Haliburton are not reflected in these consolidated financial statements.

(iii) Trust funds

Trust funds administered by the Municipality are not included in these consolidated financial statements, but are reported separately on the trust funds financial statements.

(b) Basis of Accounting**(i) Accrual basis of accounting**

Sources of financing and expenditures are reported on the accrual basis of accounting. This method recognizes revenues as they become available and measurable; expenditures 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.

(ii) Non-financial assets

Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of Municipal services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

(a) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as donations are recorded at their fair value at the date of receipt. 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 years
Buildings - 40 years
Machinery, equipment and furniture - 5 to 20 years
Vehicles - 3 to 10 years
Roads - 15 to 40 years
Bridges - 15 to 40 years
Lagoon - 15 to 40 years

A full year of amortization is taken in the year of acquisition and no amortization is taken in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

The Municipality has a capitalization threshold of \$5,000; individual tangible capital assets, or pooled assets of lesser value are expensed in the year of purchase.

The Municipality has a policy of expensing borrowing costs related to the acquisition of tangible capital assets.

(b) Inventories of supplies

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

(iii) Reserves and reserve funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Consolidated Statement of Financial Position.

(iv) Government transfers

Government transfers 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.

(v) Deferred revenue

The Municipality receives gas tax revenue from the Federal Government and payments in lieu of parkland under the authority of provincial legislation and Municipal by-laws. These funds are restricted in their use and until applied to the applicable expenditures are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended. The Municipality also defers recognition of certain government grants which have been collected but for which the related expenditures have yet to be incurred. These amounts will be recognized as revenues in the fiscal year the services are performed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

(vi) Taxation and related revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known. The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

(vii) Pensions

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

(viii) Asset retirement obligations

A liability for asset retirement obligation (ARO) is recognized when, as at the financial reporting date:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is initially recorded at the best estimate of the expenditures required to retire a tangible capital asset, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset if the asset is recognized and in productive use. This liability is subsequently reviewed at each financial reporting date and adjusted for any revisions to the timing or amount required to settle the obligation. The changes in the liability for the passage of time are recorded as accretion expenses in the Statement of Operations and all other changes are adjusted to the tangible capital asset. This cost is amortized over the useful life of the tangible capital asset (Note 1(b)(ii)(a)). If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

The liability for closure and post-closure care relating to landfill sites has been recognized based on estimated future expenditures. The liability is discounted using a present value calculation and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the landfill tangible capital asset. The landfill tangible capital asset is being amortized over the asset's useful life (Note 1(b)(ii)(a)). Assumptions used in the calculations are revised yearly.

Recoveries related to tangible capital asset retirement obligations are recognized when the recovery can be appropriately measured, a reasonable estimate of the amount can be made and it is expected that future economic benefits will be obtained. A recovery is recognized on a gross basis from the asset retirement obligations liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023

(ix) Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include valuation allowances for accounts receivable, estimated useful lives of tangible capital assets, and amounts to settle asset retirement obligations. Actual results could differ from management's best estimates as additional information becomes available in the future. The estimates are reviewed periodically and any resulting adjustments are reported in earnings in the year in which they become known.

2. CHANGE IN ACCOUNTING POLICIES

On January 1, 2023 the Municipality adopted Public Accounting Standards PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3280 Asset Retirement Obligations, and PS 3450 Financial Instruments. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions. Other than PS 3280 changes described below, these standards have no significant impact on the presentation of the financial statements.

In accordance with the provisions of the PS 3280 Asset Retirement Obligations standard, as at January 1, 2023, the Municipality derecognized the landfill closure and post-closure liability and recognized an asset retirement obligation (Note 9).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HALIBURTON

Further to Note 1(a)(ii), the Municipality is required to collect property taxes and payments-in-lieu of taxes on the behalf of the school boards and the County of Haliburton. The amounts collected, remitted and outstanding are as follows:

	2023 School Boards	2023 County	2023 Total	2022 Total
Payable (receivable) at the beginning of the year	\$ -	\$ -	\$ -	\$ -
Taxation and payments-in-lieu, net of adjustments	2,854,728	4,350,453	7,205,181	7,009,666
Remitted during the year	(2,854,728)	(4,350,453)	(7,205,181)	(7,009,666)
Payable (receivable) at the end of the year	\$ -	\$ -	\$ -	\$ -

4. TRUST FUNDS

Trust funds administered by the Township amounting to \$160,579 (2022 \$153,078) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

5. DEFERRED REVENUE

The 2023 continuity of transactions within the obligatory reserve funds and other deferred revenue are described below:

	Balance beginning of year	Contributions received	Interest earned	Amounts taken into revenue	Balance end of year
Parkland	\$ 74,055	\$ 11,166	\$ -	\$ (38,500)	\$ 46,721
Federal gas tax	381,142	77,804	20,127	-	479,073
OCIF funding	59,671	115,000	7,241	(113,096)	68,816
Other	6,160	8,193	-	(7,569)	6,784
	\$ 521,028	\$ 212,163	\$ 27,368	\$ (159,165)	\$ 601,394

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

6. MUNICIPAL DEBT

The annual principal and interest payments required to service the Municipality's debt were within the annual debt repayment limit of \$1,901,107 prescribed by the Ministry of Municipal Affairs and Housing.

7. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time for facility A is limited to \$700,000 (2022 \$700,000) via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate plus 0.50% per annum. The amount available at any time for facility B is limited to \$2,000,000 (2022 \$2,000,000) via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate plus 0.50% per annum. Council authorized the temporary borrowing limit by By-law 2023-01, of which NIL (2022 NIL) was used at the end of the year.

8. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

Commencing in 2001, the local government accounting standards issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants require that municipalities recognize a liability related to the closure of solid waste landfill sites. This liability encompasses all costs related to the closure and subsequent maintenance of such sites. The liability is recognized in the financial statements over the operating life of the solid waste disposal site, in proportion to its utilized capacity.

The Township is responsible for the operation and maintenance of five waste disposal sites. The total landfill closure and post-closure estimates for the usable footprints are as follows:

Total estimated expenditures for closure and post-closure care	\$2,134,159
Reported liability in the prior year	\$993,342
Total expenditures remaining to be recognized	\$1,140,817
Utilization/year	3,473m ³
Estimated remaining usable capacity	184,037m ³
Remaining landfill site life	101 years
Number of years required for post-closure care	25 years

An engineering study received in 2022 increased the remaining capacity due to a previous landfill expansion at Pine Springs and decreased the liability due to the closure at the Hawk Lake site.

As of January 1, 2023 the Municipality adopted PS 3280 Asset Retirement Obligations (Note 9) and derecognized the landfill closure and post-closure liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

9. ASSET RETIREMENT OBLIGATIONS

The Municipality's asset retirement obligations consist of the following:

Landfill obligation

The Township is responsible for the operation and maintenance of five waste disposal sites. The costs are based on the currently known obligations that will exist at the estimated year of closure of the site and for 25 years after this date. Two sites are closed, the three remaining operating sites have remaining estimated useful lives between 44 and 100 years. Post-closure care is estimated to be required for 25 years from the date of site closure. These costs were discounted to December 31, 2023 using a discount rate of 2.94% per annum.

	Maple Lake	Oxtongue	Pine Springs	Dorset	Hawk Lake
Closure date	2068	2094	2124	2015	2022
Total capacity (m ²)	196,860	39,000	54,350	40,000	34,585
Discount rate (%)	3	3	3	3	3
Inflation rate (%)	2	2	2	2	2
Undiscounted expenditures	\$ 1,008,350	\$ 813,925	\$ 784,225	\$ 104,635	\$ 230,160

Changes in the Landfill closure and post-closure asset retirement obligations in the year are as follows:

	2023	2022
Opening balance	\$ -	\$ -
Adjustment on adoption of PS 3280 (Note 2)	2,057,884	-
Accretion expense	60,502	-
Less: settlement of obligations	(15,745)	-
	\$ 2,102,641	\$ -

10. CONTINGENT LIABILITIES

In the normal course of business, the municipality is named to lawsuits related to its operations. Management is of the view that these lawsuits are without merit and any settlement would not be material to the financial position of the municipality.

11. COMMITMENTS

During the year the Township entered into a contract for rehabilitation of the Dorset Recreation Centre in the amount of \$1,412,590 plus tax. As of December 31, 2023, \$720,380 of work has been completed.

During 2023, the Township entered into a three year contract for the supply, delivery and spreading of liquid calcium chloride for the 2023 to 2025 seasons with annual costs of approximately \$40,000.

During 2022, the Township entered into a three year service agreement for environmental monitoring and annual reporting for its landfill sites. Two years remain on this agreement which has annual costs of approximately \$79,000.

During 2022, the Township entered into a five year agreement for the supply of furnace oil, diesel fuel (marked and clear) in the amount of \$1.311/L, and gasoline in the amount of \$1.082/L for the period from May 1, 2022, to April 30, 2027.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023

During 2020, the Township entered into a five year contract for CAMIS reservation software for the period of January 1, 2021 to December 31, 2025. Two years remain on this agreement which has annual costs of approximately \$24,000.

During 2019, the Township entered into a three year service agreement for site attendant services at all five (5) of the Townships municipal landfill sites and recycling centres with the option to extend for two additional one-year periods. Subsequent to year-end the agreement has been extended for an additional one year which has annual costs of approximately \$200,000.

During 2019, the Township entered into a ten year term for the provision of high speed fibre internet services at the Dorset Health Hub for the purposes of the Telemedicine Network. Six years remain on this agreement at a cost of \$475 per month.

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

12. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT

The Municipality and its Boards and Committees provide a wide range of services to its citizens. The schedule and segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Consolidated Statement of Operations by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which include the following activities:

General Government

This segment includes Council, Clerk's Department, and Treasury. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues relating to governance, strategic planning and service delivery.

Protection to Persons and Property

This segment includes fire, police, building inspection, and bylaw enforcement. Police services are provided by the Ontario Provincial Police under contract.

Transportation Services

Transportation Services include roadway systems and winter control.

Environmental Services

This segment includes solid waste and lagoon management.

Health Services

This segment includes cemeteries.

Recreation and Culture

This segment includes parks, recreation programs, recreation facilities and library services.

Planning and Development

This segment includes activities related to planning, zoning and economic development.

Unallocated Amounts

Items are recorded as unallocated amounts when there is no reasonable basis for allocating them to a segment. Major items included in this category are property taxation and related penalty and interest charges, and the municipality's annual Ontario Municipal Partnership Fund unconditional grant.

In preparation of segmented financial information, some allocation of expenses is made. This generally includes charges of rent to specific segments.

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023

12. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2023

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Culture	Planning and Development	Unallocated Amounts	Consolidated
REVENUE									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,551,759	\$ 6,551,759
User fees	16,736	315,655	284,847	407,264	62,609	635,047	72,375	-	1,794,533
Government transfers	-	-	1,394,696	-	-	27,650	-	-	1,422,346
Other municipalities	207	56,532	100,027	2,818	-	37,297	-	-	196,881
Other	739,967	70,680	447,234	300	11,176	83,053	24,000	213,949	1,590,359
TOTAL REVENUE	756,910	442,867	2,226,804	410,382	73,785	783,047	96,375	6,765,708	11,555,878
EXPENSES									
Salaries, wages and benefits	1,192,643	731,069	956,669	201,382	23,613	711,413	136,822	-	3,953,611
Operating expenses	303,030	1,440,263	1,465,782	800,194	69,946	624,623	33,593	-	4,737,431
Landfill	-	-	-	(676,960)	-	-	-	-	(676,960)
Amortization	59,440	248,415	1,119,441	154,132	1,660	147,372	-	-	1,730,460
TOTAL EXPENSES	1,555,113	2,419,747	3,541,892	478,748	95,219	1,483,408	170,415	-	9,744,542
ANNUAL SURPLUS (DEFICIT)	\$ (798,203)	\$ (1,976,880)	\$ (1,315,088)	\$ (68,366)	\$ (21,434)	\$ (700,361)	\$ (74,040)	\$ 6,765,708	\$ 1,811,336

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023

12. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2022

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Culture	Planning and Development	Unallocated Amounts	Consolidated
REVENUE									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,248,166	\$ 6,248,166
User fees	39,379	306,883	301,352	362,902	32,222	597,447	64,725	-	1,704,910
Government transfers	-	-	1,449,000	-	-	88,767	-	-	1,537,767
Other municipalities	-	18,982	165,277	2,779	-	28,081	-	-	215,119
Other	374,493	86,153	423,171	200	4,061	56,911	-	228,846	1,173,835
TOTAL REVENUE	413,872	412,018	2,338,800	365,881	36,283	771,206	64,725	6,477,012	10,879,797
EXPENSES									
Salaries, wages and benefits	989,128	650,874	930,356	174,526	17,257	701,688	123,131	-	3,586,960
Operating expenses	313,116	1,274,762	1,467,557	829,374	23,185	550,902	26,195	-	4,485,091
Landfill	-	-	-	(333,745)	-	-	-	-	(333,745)
Amortization	53,031	241,569	1,069,138	87,173	1,660	134,815	-	-	1,587,386
TOTAL EXPENSES	1,355,275	2,167,205	3,467,051	757,328	42,102	1,387,405	149,326	-	9,325,692
ANNUAL SURPLUS (DEFICIT)	\$ (941,403)	\$ (1,755,187)	\$ (1,128,251)	\$ (391,447)	\$ (5,819)	\$ (616,199)	\$ (84,601)	\$ 6,477,012	\$ 1,554,105

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

13. BUDGET FIGURES

The unaudited budget adopted for the current year was prepared on a fund basis, and has been amended to conform with the accounting and reporting standards adopted for the current year actual results.

14. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2023. The results of this valuation disclosed total actuarial liabilities of \$134,574 million with respect to benefits accrued for service with actuarial assets at that date of \$130,372 million indicating an actuarial deficit of \$4,202 million. Because OMERS is a multi employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2023 was \$264,852 (2022 \$214,518) for current service and is included as an expense on the Consolidated Statement of Operations.

15. COMPARATIVE FIGURES

Certain 2022 amounts in these financial statements have been reclassified to conform with their presentation in 2023.

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

Schedule 1

	Land and Land Improvements	Buildings	Machinery, Equipment and Furniture	Vehicles	Roads and Bridges	Lagoon	Assets Under Construction	TOTAL 2023	TOTAL 2022
COST									
Balance, beginning of year	\$ 6,757,050	\$ 6,950,174	\$ 2,818,863	\$ 5,949,769	\$ 13,733,653	\$ 137,053	\$ 259,609	\$ 36,606,171	\$ 35,123,011
Additions and betterments	2,528,385	243,437	206,244	377,801	395,123	-	818,914	4,569,904	1,932,606
Disposals and writedowns	-	-	-	(155,861)	-	-	-	(155,861)	(449,446)
Allocation from work in progress	-	94,582	10,718	-	-	-	(105,300)	-	-
BALANCE, END OF YEAR	9,285,435	7,288,193	3,035,825	6,171,709	14,128,776	137,053	973,223	41,020,214	36,606,171
ACCUMULATED AMORTIZATION									
Balance, beginning of year	2,126,097	2,386,034	1,568,389	3,558,703	11,256,047	47,968	-	20,943,238	19,776,790
Annual amortization	360,217	172,031	214,492	428,601	551,693	3,426	-	1,730,460	1,587,386
Amortization disposals	-	-	-	(149,776)	-	-	-	(149,776)	(420,938)
BALANCE, END OF YEAR	2,486,314	2,558,065	1,782,881	3,837,528	11,807,740	51,394	-	22,523,922	20,943,238
TANGIBLE CAPITAL ASSETS-NET	\$ 6,799,121	\$ 4,730,128	\$ 1,252,944	\$ 2,334,181	\$ 2,321,036	\$ 85,659	\$ 973,223	\$ 18,496,292	\$ 15,662,933

THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS
SUPPLEMENTARY UNAUDITED SCHEDULE OF SURPLUS

2023
Schedule 2

	2023	2022
RESERVES		
Working capital	\$ 1,620,043	\$ 2,006,009
General government	513,753	454,827
Protection	838,970	756,567
Transportation	3,573,227	2,987,584
Environmental	691,959	1,030,473
Health	16,343	25,516
Recreation and culture	2,178,915	1,928,700
Planning and development	204,514	190,590
TOTAL RESERVES AND RESERVE FUNDS	9,637,724	9,380,266
OTHER		
Tangible capital assets	18,496,292	15,662,933
General operating surplus (deficit)	-	183,409
Amounts to be recovered	(2,102,641)	(993,342)
Cemetery board	59,474	46,247
TOTAL OTHER	16,453,125	14,899,247
ACCUMULATED SURPLUS	\$ 26,090,849	\$ 24,279,513












AlgonquinHighlands_FS23

Final Audit Report

2024-07-08

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