

**THE CORPORATION OF THE  
TOWNSHIP OF ALGONQUIN HIGHLANDS  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS**  
**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

---

	Page
Independent Auditors' Report	1
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations and Assumulated Surplus	4
Consolidated Statement of Change in Net Financial Assets	5
Consolidated Statement of Cash Flow	6
Notes to the Consolidated Financial Statements	7 - 16
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	17
Schedule 2 - Supplementary Unaudited Schedule of Surplus	18



75 Main St W, Suite 2  
 Huntsville ON  
 P1H 1W9  
 (705) 788-0500 **office**  
 (705) 788-2503 **fax**  
**pahapill.ca**

---

## 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, 2022, 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, 2022, 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.

### *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,



75 Main St W, Suite 2  
Huntsville ON  
P1H 1W9  
(705) 788-0500 **office**  
(705) 788-2503 **fax**  
**pahapill.ca**

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 15, 2023

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, 2022**

	2022	2021
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 9,937,303	\$ 8,243,986
Accounts receivable, no allowance	1,532,706	1,616,799
	<b>11,470,009</b>	<b>9,860,785</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,372,866	707,774
Deferred revenue (Note 4)	521,028	479,137
Landfill closure and post-closure liability (Note 7)	993,342	1,327,087
	<b>2,887,236</b>	<b>2,513,998</b>
<b>NET FINANCIAL ASSETS</b>	<b>8,582,773</b>	<b>7,346,787</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net (Schedule 1)	15,662,933	15,346,221
Inventories of supplies	25,311	25,842
Prepaid expenses	8,496	6,558
	<b>15,696,740</b>	<b>15,378,621</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 24,279,513</b>	<b>\$ 22,725,408</b>

CONTINGENT LIABILITIES (Note 8)

COMMITMENTS (Note 9)

APPROVED ON BEHALF OF COUNCIL:

\_\_\_\_\_  
 Mayor

**THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budget 2022 (Note 11)	Actual 2022	Actual 2021
<b>REVENUE</b>			
Property taxes	\$ 6,220,309	\$ 6,248,166	\$ 6,022,451
User fees	1,472,155	1,689,103	1,400,040
Government transfers	1,544,124	1,537,767	1,504,636
Other municipalities	202,995	215,119	162,459
Other	352,367	750,664	584,420
<b>TOTAL REVENUE</b>	<b>9,791,950</b>	<b>10,440,819</b>	<b>9,674,006</b>
<b>EXPENSES</b>			
General government	1,418,555	1,355,275	1,201,888
Protection to persons and property	2,405,831	2,160,913	2,138,678
Transportation services	3,127,777	3,043,880	2,986,001
Environmental services	1,157,896	757,328	902,451
Health services	44,390	26,295	38,733
Recreation and culture	1,626,916	1,387,405	1,084,124
Planning and development	207,502	155,618	146,724
<b>TOTAL EXPENSES</b>	<b>9,988,867</b>	<b>8,886,714</b>	<b>8,498,599</b>
<b>ANNUAL SURPLUS</b>	<b>(196,917)</b>	<b>1,554,105</b>	<b>1,175,407</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>22,725,408</b>	<b>22,725,408</b>	<b>21,550,001</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 22,528,491</b>	<b>\$ 24,279,513</b>	<b>\$ 22,725,408</b>

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, 2022**

	Budget 2022 (Note 11)	Actual 2022	Actual 2021
<b>Annual surplus</b>	\$ (196,917)	\$ 1,554,105	\$ 1,175,407
Acquisition of tangible capital assets	(1,932,606)	(1,932,606)	(2,100,247)
Amortization of tangible capital assets	1,587,386	1,587,386	1,627,584
Loss (gain) on sale of tangible capital assets	-	28,508	(41,949)
Proceeds on sale of tangible capital assets	-	-	41,949
Consumption of supplies inventories	-	531	(1,472)
Use of prepaid expenses	-	(1,938)	(736)
<b>Increase in net financial assets</b>	(542,137)	1,235,986	700,536
<b>Net financial assets, beginning of year</b>	7,346,787	7,346,787	6,646,251
<b>Net financial assets, end of year</b>	<b>\$ 6,804,650</b>	<b>\$ 8,582,773</b>	<b>\$ 7,346,787</b>

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, 2022**

	2022	2021
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ 1,554,105	\$ 1,175,407
Non-cash charges to operations:		
Amortization	1,587,386	1,627,584
Loss (gain) on sale of tangible capital assets	28,508	(41,949)
	<b>3,169,999</b>	<b>2,761,042</b>
Changes in non-cash assets and liabilities:		
Accounts receivable	84,093	162,809
Accounts payable and accrued liabilities	665,092	(468,593)
Deferred revenue-general	41,891	181,676
Landfill closure and post closure liability	(333,745)	21,595
Inventories of supplies	531	(1,472)
Prepaid expenses	(1,938)	(736)
	<b>455,924</b>	<b>(104,721)</b>
Cash provided by operating transactions	<b>3,625,923</b>	<b>2,656,321</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(1,932,606)	(2,100,247)
Proceeds on disposal of tangible capital asset	-	41,949
Cash applied to capital transactions	<b>(1,932,606)</b>	<b>(2,058,298)</b>
<b>Investing transactions</b>		
Cash provided by investing transactions	-	-
<b>Financing transactions</b>		
Debt principal repayments	-	(24,350)
Cash applied to financing transactions	-	(24,350)
<b>Net change in cash and cash equivalents</b>	<b>1,693,317</b>	<b>573,673</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>8,243,986</b>	<b>7,670,313</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 9,937,303</b>	<b>\$ 8,243,986</b>
<b>Cash flow supplementary information:</b>		
Taxation and investment interest income received	\$ 374,493	\$ 123,860
Interest paid	-	450
Net interest received	<b>\$ 374,493</b>	<b>\$ 123,410</b>

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended December 31, 2022

---

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, 2022

---

(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.

(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) 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 and solid waste landfill closure and post-closure liabilities. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended December 31, 2022

2. 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:

	2022 School Boards	2022 County	2022 Total	2021 Total
Payable (receivable) at the beginning of the year	\$ -	\$ -	\$ -	\$ (28)
Taxation and payments-in-lieu, net of adjustments	2,819,091	4,190,575	7,009,666	6,743,777
Remitted during the year	(2,819,091)	(4,190,575)	(7,009,666)	(6,743,749)
<b>Payable (receivable) at the end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

3. TRUST FUNDS

Trust funds administered by the Township amounting to \$153,078 (2021 \$148,058) 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.

4. DEFERRED REVENUE

The 2022 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	\$ 64,143	\$ 8,213	\$ 1,699	\$ -	\$ 74,055
Federal gas tax	300,274	74,562	6,306	-	381,142
OCIF funding	56,794	100,000	2,877	(100,000)	59,671
Other	57,926	6,012	-	(57,778)	6,160
	<b>\$ 479,137</b>	<b>\$ 188,787</b>	<b>\$ 10,882</b>	<b>\$ (157,778)</b>	<b>\$ 521,028</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended December 31, 2022

5. MUNICIPAL DEBT

(a) Total charges for the year for municipal debt which are reported in the financial statements are as follows:

	2022	2021
Principal payments	\$ -	\$ 24,350
Interest	-	450
	<b>\$ -</b>	<b>\$ 24,800</b>

The annual principal and interest payments required to service the Municipality's debt were within the annual debt repayment limit of \$1,739,793 prescribed by the Ministry of Municipal Affairs and Housing.

6. 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 (2021 \$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 (2021 \$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 2022-01, of which NIL (2021 NIL) was used at the end of the year.

7. 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 current year	\$993,342
Total expenditures remaining to be recognized	\$1,140,817
Utilization/year	3,473m <sup>3</sup>
Estimated remaining usable capacity	184,037m <sup>3</sup>
Remaining landfill site life	101 years
Number of years required for post-closure care	25 years

An engineering study received in 2022 has 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended December 31, 2022

---

8. 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.

9. COMMITMENTS

Subsequent to year-end, 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 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 the year, the Township entered into a three year service agreement for environmental monitoring and annual reporting for its landfill sites which has annual costs of approximately \$79,000.

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. Seven years remain on this agreement at a cost of \$475 per month.

During the year, 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.

# THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended December 31, 2022

---

## 10. 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, 2022

### 10. 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
<b>REVENUE</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,248,166	\$ 6,248,166
User fees	39,379	306,883	301,352	362,902	16,415	597,447	64,725	-	1,689,103
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	-	200	4,061	56,911	-	228,846	750,664
<b>TOTAL REVENUE</b>	<b>413,872</b>	<b>412,018</b>	<b>1,915,629</b>	<b>365,881</b>	<b>20,476</b>	<b>771,206</b>	<b>64,725</b>	<b>6,477,012</b>	<b>10,440,819</b>
<b>EXPENSES</b>									
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	1,044,386	495,629	7,378	550,902	26,195	-	3,712,368
Amortization	53,031	235,277	1,069,138	87,173	1,660	134,815	6,292	-	1,587,386
<b>TOTAL EXPENSES</b>	<b>1,355,275</b>	<b>2,160,913</b>	<b>3,043,880</b>	<b>757,328</b>	<b>26,295</b>	<b>1,387,405</b>	<b>155,618</b>	<b>-</b>	<b>8,886,714</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (941,403)</b>	<b>\$ (1,748,895)</b>	<b>\$ (1,128,251)</b>	<b>\$ (391,447)</b>	<b>\$ (5,819)</b>	<b>\$ (616,199)</b>	<b>\$ (90,893)</b>	<b>\$ 6,477,012</b>	<b>\$ 1,554,105</b>



# THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2022

### 10. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2021

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Culture	Planning and Development	Unallocated Amounts	Consolidated
<b>REVENUE</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,022,451	\$ 6,022,451
User fees	12,770	325,778	268,189	336,173	44,852	326,535	85,743	-	1,400,040
Government transfers	143,048	-	1,325,400	-	-	36,188	-	-	1,504,636
Other municipalities	-	15,685	123,217	-	-	23,557	-	-	162,459
Other	123,860	94,925	-	4,540	1,208	56,604	4,408	298,875	584,420
<b>TOTAL REVENUE</b>	<b>279,678</b>	<b>436,388</b>	<b>1,716,806</b>	<b>340,713</b>	<b>46,060</b>	<b>442,884</b>	<b>90,151</b>	<b>6,321,326</b>	<b>9,674,006</b>
<b>EXPENSES</b>									
Salaries, wages and benefits	908,137	634,797	953,087	169,268	22,145	570,320	125,718	-	3,383,472
Long-term debt charges (interest)	-	450	-	-	-	-	-	-	450
Operating expenses	247,174	1,276,594	860,696	689,404	16,588	381,922	14,714	-	3,487,092
Amortization	46,577	226,837	1,172,218	43,779	-	131,882	6,292	-	1,627,585
<b>TOTAL EXPENSES</b>	<b>1,201,888</b>	<b>2,138,678</b>	<b>2,986,001</b>	<b>902,451</b>	<b>38,733</b>	<b>1,084,124</b>	<b>146,724</b>	<b>-</b>	<b>8,498,599</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (922,210)</b>	<b>\$ (1,702,290)</b>	<b>\$ (1,269,195)</b>	<b>\$ (561,738)</b>	<b>\$ 7,327</b>	<b>\$ (641,240)</b>	<b>\$ (56,573)</b>	<b>\$ 6,321,326</b>	<b>\$ 1,175,407</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended December 31, 2022

---

11. 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.

12. 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, 2022. The results of this valuation disclosed total actuarial liabilities of \$128,789 million with respect to benefits accrued for service with actuarial assets at that date of \$122,111 million indicating an actuarial deficit of \$6,678 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 2022 was \$214,518 (2021 \$210,186) for current service and is included as an expense on the Consolidated Statement of Operations.

**THE CORPORATION OF THE TOWNSHIP OF ALGONQUIN HIGHLANDS**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Schedule 1**

	Land and Land Improvements	Buildings	Machinery, Equipment and Furniture	Vehicles	Roads and Bridges	Lagoon	Assets Under Construction	TOTAL 2022	TOTAL 2021
<b>COST</b>									
Balance, beginning of year	\$ 5,729,302	\$ 6,906,417	\$ 2,532,081	\$ 5,891,257	\$ 13,762,543	\$ 137,053	\$ 164,358	\$ 35,123,011	\$ 33,105,818
Additions and betterments	1,027,748	43,757	291,920	58,512	415,418	-	95,251	1,932,606	2,100,247
Disposals and writedowns	-	-	(5,138)	-	(444,308)	-	-	(449,446)	(83,054)
<b>BALANCE, END OF YEAR</b>	<b>6,757,050</b>	<b>6,950,174</b>	<b>2,818,863</b>	<b>5,949,769</b>	<b>13,733,653</b>	<b>137,053</b>	<b>259,609</b>	<b>36,606,171</b>	<b>35,123,011</b>
<b>ACCUMULATED AMORTIZATION</b>									
Balance, beginning of year	1,832,840	2,221,122	1,372,403	3,141,571	11,164,312	44,542	-	19,776,790	18,232,260
Annual amortization	293,257	164,912	201,124	417,132	507,535	3,426	-	1,587,386	1,627,584
Amortization disposals	-	-	(5,138)	-	(415,800)	-	-	(420,938)	(83,054)
<b>BALANCE, END OF YEAR</b>	<b>2,126,097</b>	<b>2,386,034</b>	<b>1,568,389</b>	<b>3,558,703</b>	<b>11,256,047</b>	<b>47,968</b>	<b>-</b>	<b>20,943,238</b>	<b>19,776,790</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 4,630,953</b>	<b>\$ 4,564,140</b>	<b>\$ 1,250,474</b>	<b>\$ 2,391,066</b>	<b>\$ 2,477,606</b>	<b>\$ 89,085</b>	<b>\$ 259,609</b>	<b>\$ 15,662,933</b>	<b>\$ 15,346,221</b>

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

**2022**  
**Schedule 2**

	2022	2021
<b>RESERVES</b>		
Working capital	\$ 2,006,009	\$ 1,767,492
General government	454,827	399,051
Protection	756,567	502,445
Transportation	2,987,584	2,650,173
Environmental	1,030,473	1,650,609
Health	25,516	40,516
Recreation and culture	1,928,700	1,478,169
Planning and development	190,590	176,490
<b>TOTAL RESERVES AND RESERVE FUNDS</b>	<b>9,380,266</b>	<b>8,664,945</b>
<b>OTHER</b>		
Tangible capital assets	15,662,933	15,346,221
General operating surplus (deficit)	183,409	(8,195)
Amounts to be recovered	(993,342)	(1,327,087)
Cemetery board	46,247	49,524
<b>TOTAL OTHER</b>	<b>14,899,247</b>	<b>14,060,463</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 24,279,513</b>	<b>\$ 22,725,408</b>