



# Consolidated Financial Statements

Corporation of the Municipality of Dysart et al.

December 31, 2022

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# Independent Auditor's Report

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To the Members of Council of the  
Corporation of the Municipality of Dysart et al.

## Opinion

We have audited the consolidated financial statements of the Corporation of the Municipality of Dysart et al. (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations, change in net debt and 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 Municipality as at December 31, 2022, and its results of 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 Consolidated 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

# Independent Auditor's Report (continued)

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

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

- ◆ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.

*Grant Thornton LLP*

Barrie, Canada  
May 23, 2023

Chartered Professional Accountants  
Licensed Public Accountants

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# Corporation of the Municipality of Dysart et al.

## Consolidated Statement of Financial Position

December 31

2022

2021

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### Financial assets

Cash and cash equivalents (Note 6)	\$ 9,837,050	\$ 7,784,510
Restricted cash and cash equivalents (Note 5)	512,794	531,583
Accounts receivables (Note 7)	773,715	573,624
Taxes receivable	1,163,048	1,345,079
	<u>12,286,607</u>	<u>10,234,796</u>

### Liabilities

Accounts payable	2,373,152	2,243,007
Deferred revenue (Note 8)	1,551,275	1,742,181
Landfill closure and post-closure liability (Note 9)	6,096,371	4,432,700
Employee future benefits (Note 10)	427,158	391,959
Municipal debt (Note 11)	2,190,351	2,709,335
Capital lease obligations (Note 12)	62,749	205,409
	<u>12,701,056</u>	<u>11,724,591</u>

### Net debt

(414,449) (1,489,795)

### Non-financial assets

Tangible capital assets (Note 16)	34,995,411	35,476,986
Inventories of supplies	22,415	24,904
Prepaid expenses	35,595	10,076
	<u>35,053,421</u>	<u>35,511,966</u>

### Accumulated surplus (Note 13)

\$ 34,638,972 \$ 34,022,171

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### Contingent liabilities and commitments (Note 14)

Approved on behalf of Council

Mayor, 

Treasurer, 

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## Corporation of the Municipality of Dysart et al. Consolidated Statement of Operations

Year ended December 31	<b>2022</b> <b>Budget</b> <small>(Note 15)</small>	<b>2022</b> <b>Actual</b>	2021 Actual
<b>Revenues</b>			
Taxation, levied for own purposes (Note 4)	\$ 10,904,524	\$ 10,976,432	\$ 10,465,231
User charges, licenses and fines	3,133,569	3,913,194	3,048,982
Government grants	2,995,636	3,105,117	2,617,138
Investment income	46,687	209,363	68,051
Penalties and interest on taxes	222,500	207,366	227,475
Donations and other	51,500	40,621	189,952
Gain on disposition of tangible capital assets	-	1,071,495	153,107
	<u>17,354,416</u>	<u>19,523,588</u>	<u>16,769,936</u>
<b>Expenses</b>			
General government	1,682,696	1,587,679	1,385,068
Protection to persons and property	3,671,324	3,490,503	3,336,385
Transportation services	7,080,509	5,151,186	4,447,068
Environmental services	3,623,670	5,683,801	5,400,827
Health services	221,282	204,093	177,106
Recreational and cultural services	2,355,936	2,220,597	1,947,787
Planning and development	625,020	568,928	531,028
	<u>19,260,437</u>	<u>18,906,787</u>	<u>17,225,269</u>
<b>Annual surplus (deficit)</b>	<b>(1,906,021)</b>	<b>616,801</b>	<b>(455,333)</b>
<b>Accumulated surplus, beginning of year</b>	<b><u>34,022,171</u></b>	<b><u>34,022,171</u></b>	<b><u>34,477,504</u></b>
 <b>Accumulated surplus, end of year</b>	 <b><u>\$ 32,116,150</u></b>	 <b><u>\$ 34,638,972</u></b>	 <b><u>\$ 34,022,171</u></b>

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**Corporation of the Municipality of Dysart et al.**  
**Consolidated Statement of Change in Net Debt**

Year ended December 31	2022 Budget (Note 15)	2022 Actual	2021 Actual
<b>Annual surplus (deficit)</b>	\$ (1,906,021)	\$ 616,801	\$ (455,333)
Acquisition of tangible capital assets	(1,422,030)	(2,759,408)	(3,055,412)
Amortization of tangible capital assets	993,249	2,899,270	2,820,393
Gain on disposition of tangible assets	-	(1,071,495)	(153,107)
Proceeds on disposal of tangible capital assets	-	1,413,208	292,000
	<u>(428,781)</u>	<u>481,575</u>	<u>(96,126)</u>
Acquisition of inventory of supplies	-	(22,415)	(24,904)
Use/consumption of inventory supplies	-	24,904	8,926
Acquisition of prepaid expenses	-	(35,595)	(10,076)
Use/consumption of prepaid expenses	-	10,076	19,576
	<u>-</u>	<u>(23,030)</u>	<u>(6,478)</u>
<b>Net change in net debt</b>	<b>(2,334,802)</b>	<b>1,075,346</b>	<b>(557,937)</b>
<b>Net debt, beginning of year</b>	<u><b>(1,489,795)</b></u>	<u><b>(1,489,795)</b></u>	<u><b>(931,858)</b></u>
<b>Net debt, end of year</b>	<u><b>\$ (3,824,597)</b></u>	<u><b>\$ (414,449)</b></u>	<u><b>\$ (1,489,795)</b></u>

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# Corporation of the Municipality of Dysart et al.

## Consolidated Statement of Cash Flows

Year ended December 31

2022

2021

### Cash flows from operating activities

<b>Annual surplus (deficit)</b>	<b>\$ 616,801</b>	<b>\$ (455,333)</b>
Items not affecting cash		
Amortization	2,899,270	2,820,393
Gain on disposition of tangible capital assets	(1,071,495)	(153,107)
Increase in landfill closure and post-closure liability	1,663,671	1,972,330
Increase in employee future benefits	35,199	13,533
	<u>4,143,446</u>	<u>4,197,816</u>
Change in non-operating working capital items		
Accounts receivable	(200,091)	51,359
Taxes receivable	182,031	181,952
Accounts payable and accrued liabilities	130,145	512,976
Deferred revenue	(190,906)	264,157
Inventories of supplies	2,489	(15,978)
Prepaid expenses	(25,519)	9,499
	<u>4,041,595</u>	<u>5,201,781</u>

### Cash flows from investing activities

Acquisition of tangible capital assets	(2,759,408)	(3,055,412)
Increase in restricted cash and cash equivalents	18,789	(18,963)
Proceeds from sale of tangible capital assets	1,413,208	292,000
	<u>(1,327,411)</u>	<u>(2,782,375)</u>

### Cash flows from financing activities

Debt principal repayments	(518,984)	(505,408)
Capital lease repayments	(142,660)	(271,522)
	<u>(661,644)</u>	<u>(776,930)</u>

### Net change in cash and cash equivalents

Cash and cash equivalents	2,052,540	1,642,476
Beginning of year	<u>7,784,510</u>	<u>6,142,034</u>
End of year (Note 6)	<u>\$ 9,837,050</u>	<u>\$ 7,784,510</u>



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# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

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Year ended December 31, 2022

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### 1. Nature of entity

The Corporation of the Municipality of Dysart et al. (the "Municipality") is a lower tier municipality in the Province of Ontario. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

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### 2. Significant accounting policies

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

#### **Basis of consolidation**

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of all committees of Council and the following local boards which are under the control of Council:

Harcourt Community Centre Board  
West Guilford Community Centre Board  
Haliburton Business Improvement Area Board  
2712707 Ontario Inc.

All interfund and inter-entity assets, liabilities, revenues and expenses have been eliminated.

#### **Trust funds**

Trust funds and their related operations administered by the Municipality are not included in these consolidated financial statements, but are disclosed separately in Note 3.

#### **Accounting for County and School Board transactions**

The taxation and other revenues, expenses, assets and liabilities with respect to the operations of the county and school boards are not reflected in these consolidated financial statements, but are disclosed separately in Note 4.

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# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

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Year ended December 31, 2022

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### 2. Significant accounting policies, continued

#### Accrual accounting

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

#### Use of estimates

Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates, assumptions and approximations. Included in these consolidated financial statements are estimates for post-employment benefits, landfill liabilities, tangible capital assets and taxation accruals.

Management uses estimates based on assumptions and calculations contained in actuarial reports, modified as necessary for the passage of time. Actual results can differ from the estimates due to uncertainty. The actuarial reports and calculations are reviewed and updated periodically at which time estimates can be adjusted.

Management uses estimates based on assumptions and calculations contained in consultant reports, modified as necessary for the passage of time to determine the landfill liability. Actual results can differ from the estimates due to uncertainty. The consultant reports and calculations are reviewed and updated periodically at which time estimates can be adjusted.

Management has made estimates related to tangible capital assets both in determining fair market value of contributed assets and in the amortization rates as set out in these policies.

Management has made estimates related to taxation revenue in determining the balance to accrue relating to supplementary billings and write offs which will be determined in future years.

#### Cash and cash equivalents

Cash and cash equivalents consist of bank balances and investments in money market instruments with maturities of three months or less, and is net of any bank overdrafts. Composition of the balance and restricted amounts are disclosed in Notes 5 and 6.

#### Landfill closure and post-closure liability

The estimated costs to close and maintain the closed solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are recognized and charged to expense as the landfill site's capacity is used.

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# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

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Year ended December 31, 2022

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### 2. Significant accounting policies, continued

#### Employee future benefits

The Municipality provides post-employment benefits to certain employee groups. These benefits include life insurance and health and dental. The cost of the benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of retirement ages of employees and expected health care and dental costs. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life ('EARSL') (expected remaining payment period in respect of the retiring allowance) of members expected to receive benefits under the plan, with amortization commencing in the period following the determination of the gain or loss. Obligations are attributed to the period beginning on the member's date of hire and ending on the expected date of termination, death or retirement, depending on the benefit value.

The Municipality is a Schedule 1 employer under the Workplace Safety and Insurance Act and, as such, the Municipality insures all claims by its injured workers under the Act.

#### Capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly related to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for production or use as follows:

Land improvements	15 years
Buildings	40 years
Equipment	10-20 years
Vehicles	10-20 years
Roads	8-40 years
Sewer	40-80 years
Bridges and culverts	15-40 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Municipality's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

#### Leased tangible capital assets

Leases are classified as capital or operating leases. Leases that transfer substantially the entire 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 expenditures as incurred.

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# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

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Year ended December 31, 2022

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### 2. Significant accounting policies, continued

#### Liability for contaminated sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries. Changes in the estimate are recorded in the Municipality's statement of operations.

#### Reserve and reserve funds

The Municipality follows the practice of allocating surpluses into reserves and reserve funds that are retained for general and specific purposes. These reserve and reserve funds make up a portion of the accumulated surplus as disclosed in Note 13 of these financial statements.

These reserves and reserve funds are established by Council resolution or by-law and are available for future operating and capital purposes. Amounts are only expended in accordance with the terms and policies established by Council. Expenses in respect of operating items for which reserves and reserve funds have been created are reported on the consolidated statement of operations.

#### Revenue recognition

Revenue is reported on the accrual basis of accounting. Revenues are recognized as follows:

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts. Interest and penalties on taxes are recorded in the period the interest and penalties are levied.

User charges, licenses, fines, and donations are recognized when collected.

Developer contributions and fees for services are recognized over the period of service or when required expenditures occur if applicable.

Except as noted in the government transfers policy below, conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable. Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenses are made.

Investment income is reported as revenue in the fiscal year earned. Investment income earned on development charges, parking charges, federal and provincial gas tax reserve funds, and parkland obligatory reserve funds is added to the reserve fund balance and forms part of the respective deferred revenue balance.

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# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

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### 2. Significant accounting policies, continued

#### Government transfers

Government transfers are recognized as revenue in the consolidated financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Under PSAS accounting principles, obligatory reserve funds and any other externally restricted financing amounts must be reported as deferred revenue. Only the amount earned by qualifying expenditures in the current year is reflected as revenue in the Consolidated Statement of Operations.

#### Pension agreement

The Municipality is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Municipality has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles.

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### 3. Trust funds

	<u>2022</u>	<u>2021</u>
Cemetery perpetual care funds	<u>\$ 164,585</u>	<u>\$ 158,620</u>

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### 4. Taxation raised on behalf of others

The following amounts raised on behalf of others are not included in these financial statements

	<u>2022</u>	<u>2021</u>
School boards	<u>\$ 5,954,450</u>	<u>\$ 5,879,330</u>
County of Haliburton	<u>8,106,327</u>	<u>7,767,543</u>
	<u>\$ 14,060,777</u>	<u>\$ 13,646,873</u>

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# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

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### 5. Restricted cash and cash equivalents

	<u>2022</u>	<u>2021</u>
Restricted cash	\$ 320,363	\$ 343,092
Restricted Money Market and Bond Funds (Market value 2022 - \$192,431, 2021 - \$188,491)	<u>192,431</u>	<u>188,491</u>
	<u>\$ 512,794</u>	<u>\$ 531,583</u>
Consist of:		
Obligatory funds in deferred revenue (Note 8)	<u>\$ 1,181,629</u>	<u>\$ 1,279,900</u>

Currently the reserve is under funded by \$668,835 (2021 - \$748,317). The amount will be recovered in future years.

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### 6. Cash and cash equivalents

	<u>2022</u>	<u>2021</u>
<b>Unrestricted</b>		
Unrestricted cash	\$ 1,486,084	\$ 4,361,354
Unrestricted GIC	4,506,422	6,319
<b>Designated</b>		
Designated cash	2,832,967	2,376,197
Designated Money Market and Bond Funds (Market value 2022 - 1,011,577, 2021 - \$1,007,755)	<u>1,011,577</u>	<u>1,040,640</u>
	<u>\$ 9,837,050</u>	<u>\$ 7,784,510</u>

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### 7. Accounts receivable

	<u>2022</u>	<u>2021</u>
<b>Unrestricted</b>		
Canada	\$ 418,089	\$ 353,665
Ontario	191,187	56,846
Other	<u>164,439</u>	<u>163,113</u>
	<u>\$ 773,715</u>	<u>\$ 573,624</u>

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# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

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### 8. Deferred revenue

	<u>2022</u>	<u>2021</u>
<b>Obligatory reserve funds</b>		
Building department	\$ 426,495	\$ 292,323
Federal and provincial gas tax	425,271	680,478
Parking revenues (Municipal Act)	65,431	48,989
Parkland (Planning Act)	<u>264,432</u>	<u>258,110</u>
	<u>1,181,629</u>	<u>1,279,900</u>
Other deferred revenue	<u>369,646</u>	<u>462,281</u>
	<u>\$ 1,551,275</u>	<u>\$ 1,742,181</u>

The net change during the year in the restricted deferred revenue balances is made up as follows:

	<u>Building department</u>	<u>Gas tax</u>	<u>Parking</u>	<u>Parkland</u>	<u>Total</u>
Opening obligatory funds	\$ 292,323	\$ 680,478	\$ 48,989	\$ 258,110	\$ 1,279,900
Restricted funds received	155,670	222,789	15,500	1,000	394,959
Interest earned	5,608	12,664	942	5,322	24,536
Revenue recognized	-	(390,660)	-	-	(390,660)
Capital Purchases	<u>(27,106)</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(127,106)</u>
	<u>\$ 426,495</u>	<u>\$ 425,271</u>	<u>\$ 65,431</u>	<u>\$ 264,432</u>	<u>\$ 1,181,629</u>

Gas tax revenue is provided by the Government of Canada. The use of the funds is established by the funding agreement signed between the Municipality and the Association of Municipalities of Ontario. Gas tax funds may be used towards designated projects as specified in the funding agreements.

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# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

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### 9. Landfill closure and post-closure liability

The consolidated statement of financial position reflects a liability for anticipated future costs related to the closing and monitoring of the six existing landfill sites. The waste site closure and post closure cost liability has been estimated at December 31, 2022 to be \$6,096,371 (2021 - \$4,432,700). This liability represents the estimated total expenditures for closure and post closure care. The information used to determine the liability was updated as of April 20, 2022 by Jp2g Consultants Inc., a consulting firm hired by the Municipality who have experience with landfill capacity studies, landfill site development and operational plans and landfill monitoring and closure plans. For purposes of the above calculation, the landfills have estimated remaining life spans of 0 to 50 years and combined remaining capacity of 104,839 (2021 - 109,354) cubic meters. Once closed, the sites will be monitored for an estimated period of 25 years with the estimated costs of \$15,000 to \$32,000 (2021 - \$15,000 to \$32,000) per year. A discount rate has been used that is equal to the rate available to the Municipality on long-term borrowing. The estimated present value of total closure and post closure costs is \$8,692,288 (2021 - \$6,180,169) and the estimated portion related to remaining available capacity is \$1,663,671 (2021 - \$1,747,468). As at December 31, 2022, there are no specific assets designated for settling this liability.

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### 10. Employee future benefits

#### a. Pension agreement

OMERS provides pension services to almost half a million active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2022. The results of this valuation disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with actuarial assets at that date of \$123,628 million indicating an actuarial deficit of \$6,678 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit. Contributions made to OMERS for 2022 were \$324,051 (2021 - \$303,991).

#### b. Post employment benefits

Under the provisions of certain employee benefit plans, an employee who has achieved the 90 factor as determined by Ontario Municipal Employee Retirement System (OMERS), is eligible for a retirement pension from OMERS, and is under the age of 65 will be provided with Extended Health (drug, semi-private hospital and dental plan) coverage. All coverage ceases at age 65. The plan requires no contribution from employees. Total benefit payments to retirees during the year were \$14,000 (2021 - \$33,000).

Actuarial valuations for accounting purposes will be performed triennially using the projected benefit method prorated on services. The last full actuarial valuation was completed as at December 31, 2022. The accrued benefit obligation of \$427,158 shown for December 31, 2022 is based on that valuation. Actual experienced cost increases and discount rate adjustments have resulted in a net gain of \$153,649 which will be recognized over the estimated average remaining service life of the employee group.

The post-employment benefit liability at December 31, 2022 includes the following components:



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# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

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### 10. Employee future benefits, continued

	<u>2022</u>	<u>2021</u>
Accrued benefit obligation	\$ 273,509	\$ 348,587
Unamortized actuarial gains	<u>153,649</u>	<u>43,372</u>
	<u>\$ 427,158</u>	<u>\$ 391,959</u>

The actuarial valuation and extrapolation were based on a number of assumptions about future events, such as wage and salary increases, and employee turnover and mortality. The assumptions used reflect the Municipality's best estimates. The main actuarial assumptions employed for the extrapolation are as follows:

Expected inflation rate	2.5%
Discount rate	3%
Medical cost increases - first year	6.5%
- decreasing over 10 years to	4%
Expected rate of dental cost increase	4%
Estimated average remaining service life of the employee group	8.1 years

The post-employment benefit expense is reported as a component of current expenditures on the consolidated statement of operations. Composition of the amount is as follows:

	<u>2022</u>	<u>2021</u>
Current year benefit cost	\$ 42,932	\$ 41,682
Amortization of actuarial (gains) losses	<u>(4,625)</u>	<u>(5,176)</u>
Interest on post-employment benefit liability	<u>10,892</u>	<u>10,027</u>
	<u>\$ 49,199</u>	<u>\$ 46,533</u>

The change in the post-employment obligation is composed of the following amounts:

	<u>2022</u>	<u>2021</u>
Obligation at the start of the year	\$ 348,587	\$ 329,878
Current year benefit cost	42,932	41,682
Benefit payments	<u>(14,000)</u>	<u>(33,000)</u>
Interest on obligation	10,892	10,027
Change in obligation from revaluation	<u>(114,902)</u>	<u>-</u>
	<u>\$ 273,509</u>	<u>\$ 348,587</u>

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# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

### 11. Municipal debt

	<u>2022</u>	<u>2021</u>
Term facility to be used for capital infrastructure projects and building construction/expansion and/or land improvements, repayable in blended monthly payments of \$14,519 total with interest at 2.25%, due July 2025.	<b>\$ 436,881</b>	\$ 599,313
Term facility to be used for capital infrastructure projects and building construction/expansion and/or land improvements, repayable in blended monthly payments of \$29,416 total with interest at 2.68%, due January 2023.	<b>1,688,845</b>	1,992,224
Term facility to be used for purchase of roads equipment, repayable in blended monthly payments of \$4,726 total with interest at 3.78%, due February 2024.	<b>64,625</b>	117,798
Net municipal debt	<b><u>\$ 2,190,351</u></b>	<b><u>\$ 2,709,335</u></b>

a. Future payments requiring taxation and user charge financing are summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,910,181	\$ 13,368	\$ 1,923,549
2024	179,295	4,384	183,679
2025	100,875	758	101,633
Total payment	<b><u>\$ 2,190,351</u></b>	<b><u>\$ 18,510</u></b>	<b><u>\$ 2,208,861</u></b>

b. The long-term liabilities issued in the Municipality's name have been approved by by-law as required and the annual principal and interest payments required are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

c. Total gross payments for the year to service net municipal debt and capital lease obligations are as follows:

	<u>2022</u>	<u>2021</u>
Principal payments	<b>\$ 661,644</b>	\$ 776,930
Interest	<b>103,146</b>	129,536
Gross payments	<b><u>\$ 764,790</u></b>	<b><u>\$ 906,466</u></b>

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# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

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### 12. Capital lease obligations

	<u>2022</u>	<u>2021</u>
John Deere Financial lease for a motor grader, repayable in blended monthly payments of \$6,213 with interest charged at 4.5% due July 2023. It is expected that the Municipality will purchase the asset for its residual value of \$1 at the end of the lease term.	\$ 42,849	\$ 113,740
Caterpillar Financial Services lease for an excavator, repayable in blended monthly payments of \$3,533 with interest charged at 5.2% due April 2022. It is expected that the Municipality will purchase the asset for its residual value of \$1 at the end of the lease term.	-	13,982
Caterpillar Financial Services lease for an excavator, repayable in blended monthly payments of \$5,026 with interest charged at 4.9% due May 2023. It is expected that the Municipality will purchase the asset for its residual value of \$1 at the end of the lease term.	<u>19,900</u>	<u>77,687</u>
	<u>\$ 62,749</u>	<u>\$ 205,409</u>
		<u>2023</u>
Principal		\$ 62,749
Interest		<u>847</u>
		<u>\$ 63,596</u>

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# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

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### 13. Accumulated surplus

	<u>2022</u>	<u>2021</u>
Unrestricted surplus	\$ 1,459,961	\$ 1,059,391
Community Centres surplus	82,920	89,621
Haliburton Business Improvement Area Board surplus	<u>6,840</u>	<u>19,385</u>
	1,549,721	1,168,397
Landfill liability to be recovered in future (Note 9)	(6,096,371)	(4,432,700)
Employee benefits payable to be recovered in future (Note 10)	(427,158)	(391,959)
Municipal debt to be recovered in future (Note 11)	(2,190,351)	(2,709,335)
Capital lease obligations to be recovered in future (Note 12)	(62,749)	(205,409)
Invested in tangible capital assets (Note 16)	34,995,411	35,476,986
Reserve/reserve fund balances	<u>6,870,469</u>	<u>5,116,191</u>
	<u>\$ 34,638,972</u>	<u>\$ 34,022,171</u>

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### 14. Contingent liabilities and commitments

#### Credit facility agreement

The Municipality has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$1.5 million via an operating line. Any balance borrowed will bear interest at prime per year. Council authorized the temporary borrowing limit for 2022 in By-Law 2022-03, and there was no balance owing as at December 31, 2022 of \$NIL (2021 - \$NIL).

#### Other contingencies

In the normal course of its operations, the Municipality is subject to various litigations and claims. The ultimate outcome of these claims cannot be determined at this time. However, the Municipality's management believes that the ultimate disposition of these matters will not have a material adverse effect on its financial position.

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# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

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### 14. Contingent liabilities and commitments, continued

#### Spending commitments

On May 25, 2021 Council authorized staff to purchase a tandem axle truck with snow plow equipment in the amount of \$279,397 to be delivered in 2022. The truck is to be funded by the Development Reserve. As at December 31, 2022, the truck has not yet been delivered.

On December 7, 2021 Council authorized staff to purchase a tandem axle truck with snow plow equipment in the amount of \$295,143 to be delivered in 2023. The truck is to be funded by the Development Reserve.

On July 26, 2022 Council authorized staff to purchase two tandem axle trucks with snow plow equipment in the amount of \$669,378 to be delivered in 2024. The truck is to be funded by the Development Reserve.

On December 13, 2022 Council authorized staff to purchase a fuel cardlock system at the municipal roads garage located on Highway 118 in the amount of \$45,789 to be installed in 2023. The system is to be funded by the Modernization Reserve Fund.

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### 15. Budget amounts

The 2022 Budget adopted by Council on February 11, 2022 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis. The budget figures treated all tangible capital expenditures as expenses and did not include amortization expense on tangible capital assets. As a result, the budget figures presented in the Consolidated Statements of Operations and Change in Net Financial Assets (Debt) represent the budget adopted by Council on February 11, 2022 with adjustments as follows:

	2022 budget adopted by Council	TCA expenditures from capital and amortization	2022 budget presented in statements
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Revenue</b>			
Taxation levied for own purposes	\$ 10,904,524	\$ -	\$ 10,904,524
User charges, licenses and fines	3,133,569	-	3,133,569
Grants	2,995,636	-	2,995,636
General government	320,687	-	320,687
	<u>17,354,416</u>	<u>-</u>	<u>17,354,416</u>

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# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

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### 15. Budget amounts, continued

	2022 budget adopted by Council	TCA expenditures from capital and amortization	2022 budget presented in statements
<b>Expenditures</b>			
General government	1,587,676	95,020	1,682,696
Protection to persons and property	3,590,750	80,574	3,671,324
Transportation services	5,023,446	2,057,063	7,080,509
Environmental services	3,375,276	248,394	3,623,670
Health services	133,431	87,851	221,282
Recreation and cultural services	2,025,568	330,368	2,355,936
Planning and development	625,020	-	625,020
	<u>16,361,167</u>	<u>2,899,270</u>	<u>19,260,437</u>
Annual surplus (deficit)	993,249	(2,899,270)	<u>\$ (1,906,021)</u>
Capital expenditures	(1,422,030)	2,899,270	
Transfer from (to) reserve/reserve funds	<u>428,781</u>	<u>-</u>	
Budgeted use of prior year surplus	<u>\$ -</u>	<u>\$ -</u>	

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**Corporation of the Municipality of Dysart et al.**  
**Notes to the Consolidated Financial Statements**

Year ended December 31, 2022

**16. Tangible capital assets**

	Land	Land Improvements	Buildings	Equipment	Vehicles	Roads	Sewer	Bridges & Culverts	Assets Under Construction	2022
Cost, beginning of year	\$ 4,937,293	\$ 3,370,132	\$ 16,641,754	\$ 6,725,490	\$ 6,439,525	\$ 33,196,933	\$ 7,591,571	\$ 5,781,091	\$ 159,174	\$ 84,842,963
Additions	-	-	118,656	322,891	502,402	1,421,011	-	-	394,448	2,759,408
Disposals	(11,352)	(25,892)	(52,240)	(38,705)	(697,312)	(855,236)	-	-	(1,883)	(1,682,620)
Transfers	-	-	-	67,587	23,594	-	-	-	(91,181)	-
Cost, end of year	\$ 4,925,941	\$ 3,344,240	\$ 16,708,170	\$ 7,077,263	\$ 6,268,209	\$ 33,762,708	\$ 7,591,571	\$ 5,781,091	\$ 460,558	\$ 85,919,751
Accumulated Amortization, beginning of year	\$ -	\$ 1,690,064	\$ 7,033,985	\$ 5,004,812	\$ 2,961,294	\$ 25,277,184	\$ 4,397,348	\$ 3,001,290	\$ -	\$ 49,365,977
Amortization	-	207,157	417,098	210,641	521,614	1,380,698	73,182	88,880	-	2,899,270
Disposals	-	(12,083)	(32,191)	(34,283)	(407,114)	(855,236)	-	-	-	(1,340,907)
Accumulated Amortization, end of year	\$ -	\$ 1,885,138	\$ 7,418,892	\$ 5,181,170	\$ 3,075,794	\$ 25,802,646	\$ 4,470,530	\$ 3,090,170	\$ -	\$ 50,924,340
Net book value, beginning of year	\$ 4,937,293	\$ 1,680,068	\$ 9,607,769	\$ 1,720,678	\$ 3,478,231	\$ 7,919,749	\$ 3,194,223	\$ 2,779,801	\$ 159,174	\$ 35,476,986
Net book value, end of year	\$ 4,925,941	\$ 1,459,102	\$ 9,289,278	\$ 1,896,093	\$ 3,192,415	\$ 7,960,062	\$ 3,121,041	\$ 2,690,921	\$ 460,558	\$ 34,995,411

# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

### 16. Tangible capital assets, continued

	Land	Land Improvements	Buildings	Equipment	Vehicles	Roads	Sewer	Bridges & Culverts	Assets Under Construction	2021
Cost, beginning of year	\$ 5,011,277	\$ 3,257,930	\$ 16,018,682	\$ 6,683,090	\$ 6,154,771	\$ 32,094,630	\$ 7,591,571	\$ 5,781,091	\$ 391,581	\$ 82,984,623
Additions	-	112,202	273,890	130,552	293,275	2,100,568	-	-	144,925	3,055,412
Disposals	(73,984)	-	(23,108)	(93,194)	(8,521)	(998,265)	-	-	-	(1,197,072)
Transfers	-	-	372,290	5,042	-	-	-	-	(377,332)	-
Cost, end of year	\$ 4,937,293	\$ 3,370,132	\$ 16,641,754	\$ 6,725,490	\$ 6,439,525	\$ 33,196,933	\$ 7,591,571	\$ 5,781,091	\$ 159,174	\$ 84,842,963
Accumulated Amortization, beginning of year	\$ -	\$ 1,485,784	\$ 6,638,742	\$ 4,779,993	\$ 2,479,128	\$ 24,983,540	\$ 4,324,166	\$ 2,912,410	\$ -	\$ 47,603,763
Amortization	-	204,280	418,351	292,507	490,187	1,253,006	73,182	88,880	-	2,820,393
Disposals	-	-	(23,108)	(67,688)	(8,021)	(959,362)	-	-	-	(1,058,179)
Accumulated Amortization, end of year	\$ -	\$ 1,690,064	\$ 7,033,985	\$ 5,004,812	\$ 2,961,294	\$ 25,277,184	\$ 4,397,348	\$ 3,001,290	\$ -	\$ 49,365,977
Net book value, beginning of year	\$ 5,011,277	\$ 1,772,146	\$ 9,379,940	\$ 1,903,097	\$ 3,675,643	\$ 7,111,090	\$ 3,267,405	\$ 2,868,681	\$ 391,581	\$ 35,380,860
Net book value, end of year	\$ 4,937,293	\$ 1,680,068	\$ 9,607,769	\$ 1,720,678	\$ 3,478,231	\$ 7,919,749	\$ 3,194,223	\$ 2,779,801	\$ 159,174	\$ 35,476,986



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# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

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### 16. Tangible capital assets, continued

Leased tangible capital assets included in equipment had a cost value of \$778,715 (2021 - \$983,450) and accumulated amortization of \$366,358 (2021 - \$960,198).

The Municipality holds various works of art and historical treasures pertaining to the heritage and history of the Corporation of the Municipality of Dysart et al. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

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### 17. Segment information

The Corporation of the Municipality of Dysart et al. is a municipal government institution that provides a wide range of services to its citizens. Municipal services are reported by function and their activities are separately disclosed in the segmented information.

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

The nature of the segments and the activities they encompass are as follows:

#### **General Government**

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

#### **Protection to Persons and Property**

Protection includes police, fire, and protective inspection and control.

#### **Transportation Services**

The transportation function includes construction and maintenance of the Municipality's roads and bridges, winter control, and street lighting.

#### **Environmental Services**

The environmental services function is responsible for providing sewer, waste disposal and recycling services to ratepayers.

#### **Health Services**

The health services function consists of cemeteries and the Medical Health Centre.

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# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

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### 17. Segment information, continued

#### **Recreational and Cultural Services**

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

#### **Planning and Development**

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

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

### 17. Segment information, continued

For the year ended December 31	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Recreational and cultural services	Planning and Development	2022 Total
<b>Revenue</b>								
Taxation	\$ 921,735	\$ 2,026,429	\$ 2,990,547	\$ 3,299,760	\$ 118,487	\$ 1,289,179	\$ 330,295	\$ 10,976,432
User charges	105,100	930,369	250,301	2,067,641	125,349	290,116	144,318	3,913,194
Government grants	5,122	1,889,200	676,726	203,505	100,000	230,564	-	3,105,117
Investment income	203,453	-	-	-	-	5,910	-	209,363
Penalties and interest on taxes	207,366	-	-	-	-	-	-	207,366
Donations	-	-	-	-	-	40,621	-	40,621
Loss on disposition of assets	1,066,738	-	-	-	4,757	-	-	1,071,495
	<u>2,509,514</u>	<u>4,845,998</u>	<u>3,917,574</u>	<u>5,570,906</u>	<u>348,593</u>	<u>1,856,390</u>	<u>474,613</u>	<u>19,523,588</u>
<b>Expenses</b>								
Salaries and benefits	949,367	903,050	1,331,241	710,655	19,750	1,000,529	424,701	5,339,293
Materials, supplies and services	322,989	299,453	1,348,987	530,862	46,642	697,195	113,592	3,359,720
Contracted services	185,151	2,207,426	378,868	4,163,246	42,654	123,172	17,553	7,118,070
Rent and financial expenses	3,986	-	-	8,049	3,208	-	-	15,243
Interest charges	20,856	-	30,942	22,595	2,788	12,883	13,082	103,146
Amortization expense	95,020	80,574	2,057,063	248,394	87,851	330,368	-	2,899,270
Transfers to other entities	10,310	-	4,085	-	1,200	56,450	-	72,045
	<u>1,587,679</u>	<u>3,490,503</u>	<u>5,151,186</u>	<u>5,683,801</u>	<u>204,093</u>	<u>2,220,597</u>	<u>568,928</u>	<u>18,906,787</u>
<b>Annual surplus/(deficit)</b>	\$ 921,835	\$ 1,355,495	\$ (1,233,612)	\$ (112,895)	\$ 144,500	\$ (364,207)	\$ (94,315)	\$ 616,801

# Corporation of the Municipality of Dysart et al.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

### 17. Segment information, continued

For the year ended December 31	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Recreation and cultural services	Planning and development	2021 Total
<b>Revenue</b>								
Taxation	\$ 841,499	\$ 2,027,024	\$ 2,701,822	\$ 3,281,278	\$ 107,601	\$ 1,183,380	\$ 322,627	\$ 10,465,231
User charges	88,019	743,654	93,501	1,673,343	111,521	176,224	162,720	3,048,982
Government grants	32,332	1,883,797	441,876	143,475	5,000	110,037	621	2,617,138
Developer contributions	-	-	-	-	-	-	-	-
Investment income	67,017	-	-	-	-	1,034	-	68,051
Penalties and interest on taxes	227,475	-	-	-	-	-	-	227,475
Donations	-	-	-	-	-	189,952	-	189,952
Gain (loss) on disposition of assets	153,107	-	-	-	-	-	-	153,107
	<u>1,409,449</u>	<u>4,654,475</u>	<u>3,237,199</u>	<u>5,098,096</u>	<u>224,122</u>	<u>1,660,627</u>	<u>485,968</u>	<u>16,769,936</u>
<b>Expenses</b>								
Salaries and benefits	875,348	769,894	1,300,987	400,873	18,815	811,618	410,866	4,588,401
Materials, supplies and services	324,877	259,781	935,488	495,769	30,941	537,002	87,455	2,671,313
Contracted services	63,785	2,233,768	237,489	4,135,073	44,139	190,093	17,515	6,921,862
Rent and financial expenses	3,214	-	-	6,330	2,183	-	-	11,727
Interest charges	24,220	-	49,331	22,595	3,238	14,960	15,192	129,536
Amortization expense	87,007	72,942	1,917,404	340,186	76,590	326,264	-	2,820,393
Transfers to other entities	6,617	-	6,370	-	1,200	67,850	-	82,037
	<u>1,385,068</u>	<u>3,336,385</u>	<u>4,447,069</u>	<u>5,400,826</u>	<u>177,106</u>	<u>1,947,787</u>	<u>531,028</u>	<u>17,225,269</u>
<b>Annual surplus/(deficit)</b>	\$ 24,381	\$ 1,318,090	\$ (1,209,870)	\$ (302,730)	\$ 47,016	\$ (287,160)	\$ (45,060)	\$ (455,333)

Financial Statements

Corporation of the Municipality of Dysart et al.

Trust Funds

December 31, 2022

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# Independent Auditor's Report

To the Members of Council of the  
Corporation of the Municipality of Dysart et al.

## Opinion

We have audited the financial statements of the Corporation of the Municipality of Dysart et al. Trust Funds (the "Entity"), which comprise the statement of financial position as at December 31, 2022, the statement of operations 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 Corporation of the Municipality of Dysart et al. Trust Funds as at December 31, 2022, and its results of operations 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 Entity 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 these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

# Independent Auditor's Report (continued)

## 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Barrie, Canada  
May 23, 2023

  
Chartered Professional Accountants  
Licensed Public Accountants



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**Corporation of the Municipality of Dysart et al.  
Trust Funds  
Statement of Financial Position**

December 31	2022	2021
<b>Financial assets</b>		
Cash	\$ 161,663	\$ 154,664
Due from Municipality	<u>2,922</u>	<u>3,956</u>
<b>Accumulated surplus</b>	<u>\$ 164,585</u>	<u>\$ 153,820</u>

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On behalf of the Board:

\_\_\_\_\_ Treasurer

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**Corporation of the Municipality of Dysart et al.  
Trust Funds  
Statement of Operations**

Year ended December 31	2022	2021
<b>Accumulated surplus, beginning of year</b>	<b>\$ 158,620</b>	<b>\$ 153,820</b>
<b>Revenues</b>		
Interest earned	3,043	844
Plot and monument sales	<u>5,965</u>	<u>4,800</u>
<b>Annual surplus</b>	<b>9,008</b>	<b>5,644</b>
<b>Transfer to cemetery board</b>	<b><u>(3,043)</u></b>	<b><u>(844)</u></b>
<b>Accumulated surplus, end of year</b>	<b>\$ 164,585</b>	<b>\$ 158,620</b>

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# Corporation of the Municipality of Dysart et al.

## Trust Funds

### Notes to Financial Statements

December 31, 2022

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#### 1. Nature of the entity

The Corporation of the Municipality of Dysart et al. Trust fund (the "Entity") is a fund responsible for holding the funds generated by perpetual care services and plot and monument sales made by municipality.

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#### 2. Summary of significant accounting policies

The financial statements of the Entity are the responsibility of management and are prepared in accordance with Public sector accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada"). Significant aspects of the accounting policies adopted by the Entity are as follows:

##### Accrual accounting

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

##### Revenue recognition

Revenue from the sale of products and services is recorded when the product is delivered or the service is provided. Interest revenue is recorded when received.

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#### 3. Cemetery perpetual fund

The figures reported for the cemetery perpetual care represent the trust fund activities for the Dysart Cemetery. The capital amounts are to be kept intact in perpetuity, with investment income earned on the funds used to maintain the cemetery.

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