

**The Corporation of the
Township of Amaranth
Financial Information
For the year ended December 31, 2022**

**The Corporation of the Township of Amaranth
Financial Information
For the year ended December 31, 2022**

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Tel: 519 941 0681
Fax: 519 941 8272
www.bdo.ca

BDO Canada LLP
163 First Street
Orangeville, Ontario, L9W 3J8

Independent Auditor's Report

**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Amaranth**

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of Amaranth (the municipality), which comprise the consolidated statement of financial position as at December 31, 2022 and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Township of Amaranth as at December 31, 2022 and its consolidated results of operations, its consolidated change in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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



Auditor's Responsibility 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 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.

Chartered Professional Accountants, Licensed Public Accountants

Orangeville, Ontario
November 28, 2023

The Corporation of the Township of Amaranth
Consolidated Statement of Financial Position

December 31	2022	2021
Financial assets		
Cash (Note 1)	\$ 3,379,377	\$ 1,887,700
Taxes receivable	923,994	901,799
Trade and other receivables	660,472	1,056,128
Long-term receivables (Note 2)	258,472	329,513
	<u>5,222,315</u>	<u>4,175,140</u>
Liabilities		
Accounts payable and accrued liabilities	749,621	1,018,149
Solid waste landfill closure and post-closure liabilities (Note 3)	120,816	120,816
Deferred revenue (Page 31)	1,756,529	991,262
Long-term liabilities (Note 4)	125,666	156,724
	<u>2,752,632</u>	<u>2,286,951</u>
Net financial assets	2,469,683	1,888,189
Non financial assets		
Inventory of supplies	373,600	313,000
Prepaid expenses	-	1,741
Tangible capital assets (Note 6)	17,498,996	17,341,619
	<u>17,872,596</u>	<u>17,656,360</u>
Accumulated surplus (Note 7)	\$ 20,342,279	\$ 19,544,549

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**The Corporation of the Township of Amaranth
Consolidated Statement of Operations and Accumulated Surplus**

For the year ended December 31	2022	2022	2021
	Budget (Note 10)	Actual	Actual
Revenue			
Taxation	\$ 4,405,067	\$ 4,346,381	\$ 4,177,097
Fees and user charges	127,663	295,357	215,893
Grants (Note 12)	736,024	548,123	878,356
Other income (Note 9)	377,728	872,199	546,943
	5,646,482	6,062,060	5,818,289
Expenses			
General government	1,163,735	1,001,200	849,623
Protection services	1,109,587	1,118,886	1,088,956
Transportation services	2,180,415	2,164,326	2,290,619
Environmental services	13,285	325,730	200,009
Health services	12,500	1,060	8,775
Recreation and cultural services	456,217	382,278	241,888
Planning and development	402,691	264,615	235,612
	5,338,430	5,258,095	4,915,482
Board change in opening surplus (Note 11)	-	6,235	50,071
Annual surplus (Note 10)	308,052	797,730	852,736
Accumulated surplus, beginning of year	19,544,549	19,544,549	18,691,813
Accumulated surplus, end of year	\$ 19,852,601	\$ 20,342,279	\$ 19,544,549

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Township of Amaranth
Consolidated Statement of Changes in Net Financial Assets

<u>For the year ended December 31</u>	<u>2022</u>	<u>2022</u>	<u>2021</u>
	Budget (Note 10)	Actual	Actual
Annual surplus (Page 7)	\$ 308,052	\$ 797,730	\$ 852,736
Acquisition of tangible capital assets	(891,337)	(1,037,431)	(425,914)
Amortization of tangible capital assets	-	880,054	874,272
(Gain) loss on sale of tangible capital assets	-	(2,921)	(23,008)
Proceeds on disposal of capital assets	-	2,921	23,801
	<u>(891,337)</u>	<u>(157,377)</u>	449,151
Change in prepaid expenses	-	1,741	(1,741)
Change in inventories of supplies	-	(60,600)	244,701
	<u>-</u>	<u>(58,859)</u>	242,960
Increase (decrease) in net financial assets	(583,285)	581,494	1,544,847
Net financial assets, beginning of the year	<u>-</u>	<u>1,888,189</u>	343,342
Net financial assets, end of the year	<u>\$ (583,285)</u>	<u>\$ 2,469,683</u>	<u>\$ 1,888,189</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Township of Amaranth
Consolidated Statement of Cash Flows

For the year ended December 31	2022	2021
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 797,730	\$ 852,736
Items not involving cash		
Change in prepaid expenses	1,741	(1,741)
Amortization	880,054	874,272
Deferred revenue recognized	(50,000)	(286,511)
Change in inventory of supplies	(60,600)	244,701
(Gain) loss on sale of capital assets	(2,921)	(23,008)
	<u>1,566,004</u>	<u>1,660,449</u>
Changes in non-cash working capital balances		
Taxes receivable	(22,195)	137,648
Trade and other receivables	395,656	1,517,880
Accounts payable and accrued liabilities	(268,528)	(1,755,606)
Deferred revenue received	815,267	348,781
	<u>920,200</u>	<u>248,703</u>
	<u>2,486,204</u>	<u>1,909,152</u>
Capital transactions		
Cash used to acquire capital assets	(1,037,431)	(425,914)
Proceeds on sale of capital assets	2,921	23,801
	<u>(1,034,510)</u>	<u>(402,113)</u>
Investing activities		
Repayments of long-term receivables	71,041	-
Additions to long-term receivables	-	(113,990)
	<u>71,041</u>	<u>(113,990)</u>
Financing activities		
Repayment of long-term liabilities	(31,058)	(30,325)
Net change in cash and cash equivalents	1,491,677	1,362,724
Cash and cash equivalents, beginning of year	1,887,700	524,976
Cash and cash equivalents, end of year	\$ 3,379,377	\$ 1,887,700

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Township of Amaranth Summary of Significant Accounting Policies

December 31, 2022

Management Responsibility

The management of the Corporation of the Township of Amaranth has prepared and is responsible for the integrity, objectivity and accuracy of the financial information presented in the consolidated financial statements. The Council reviews and approves the consolidated financial statements.

Basis of Accounting

The consolidated financial statements of the Corporation of the Township of Amaranth have been prepared in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada as prescribed by the Ministry of Municipal Affairs and Housing.

Revenues 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.

Basis of Consolidation

The consolidated statements reflect the assets, liabilities, revenues and expenses of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenses have been eliminated on consolidation.

A government partnership exists where the municipality has shared control over the board or entity. The municipality's pro-rata share of the assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The municipality's proportionate interest of the following government partnerships are reflected in the consolidated financial statements:

Shelburne and District Fire Department
(2022 - 12.97%, 2021 - 13.05%)

Grand Valley and District Fire Department
Operating - (2022 - 28.00%, 2021 - 27.00%)
Capital - (2022 - 24.00%, 2021 - 25.00%)

Grand Valley Medical - Dental Board
Operating - 30.00%

The proportionate interest in Shelburne and District Fire Department is based on the combined average of fire calls, total assessment and total households for the previous year.

The Corporation of the Township of Amaranth Summary of Significant Accounting Policies

December 31, 2022

Basis of Consolidation (cont.) The proportionate interest in Grand Valley and District Fire Department is based on the number of fire calls for the operating percentage and on equalized assessments of each fire area for the capital percentage.

Use of Estimates The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items such as accrued grant receivables, accrued liabilities, useful lives of capital assets, taxation revenue, deferred revenues, and solid waste landfill closure and post-closure costs. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.

Revenue Recognition Revenues are recognized as follows:

- a) 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. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of allowance for anticipated uncollectable amounts.

Interest and penalties on overdue taxes are recorded in the period the interest and penalties are levied.

- b) Donations are recognized when collected.
- c) User fees and other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.
- d) Investment income earned on surplus funds (other than obligatory reserve funds) is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is recorded directly to each fund balance and forms part of the respective deferred revenue balances.

The Corporation of the Township of Amaranth Summary of Significant Accounting Policies

December 31, 2022

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.																
Cash and Cash Equivalents	Cash and cash equivalents include all cash balances and short-term highly liquid investments that are readily convertible into cash.																
County and School Boards	The municipality collects taxation revenue on behalf of the school boards and the County of Dufferin. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the County of Dufferin are not reflected in these consolidated financial statements.																
Inventory of Supplies	Inventory held for consumption is recorded at the lower of cost and replacement cost.																
Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Costs include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the assets is based on estimates made by Council. The following rates are used:</p> <table><tr><td>Land improvements</td><td>15 to 20 years</td></tr><tr><td>Buildings</td><td>25 to 50 years</td></tr><tr><td>Vehicles</td><td>6 to 20 years</td></tr><tr><td>Furniture and equipment</td><td>2 to 20 years</td></tr><tr><td>Road bases</td><td>60 years</td></tr><tr><td>Road surfaces</td><td>2 to 15 years</td></tr><tr><td>Bridges and infrastructure</td><td>25 to 100 years</td></tr><tr><td>Environmental infrastructure</td><td>25 to 100 years</td></tr></table> <p>Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.</p>	Land improvements	15 to 20 years	Buildings	25 to 50 years	Vehicles	6 to 20 years	Furniture and equipment	2 to 20 years	Road bases	60 years	Road surfaces	2 to 15 years	Bridges and infrastructure	25 to 100 years	Environmental infrastructure	25 to 100 years
Land improvements	15 to 20 years																
Buildings	25 to 50 years																
Vehicles	6 to 20 years																
Furniture and equipment	2 to 20 years																
Road bases	60 years																
Road surfaces	2 to 15 years																
Bridges and infrastructure	25 to 100 years																
Environmental infrastructure	25 to 100 years																
Intangible Assets	Intangible assets, art and historic treasures, and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources, are not recognized in these financial statements.																

The Corporation of the Township of Amaranth
Summary of Significant Accounting Policies

December 31, 2022

**Solid Waste Landfill Closure
and Post-Closure Costs**

Site closure and post-closure care costs are recognized over the operating life of the landfills based on capacity used. The liability is recorded at its discounted value, based on the average long-term borrowing rate of the municipality.

Trust Funds

Funds held in trust by the municipality, and their related operations, are not included in these consolidated financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2022

1. Cash

	2022	2021
Unrestricted	\$ 1,149,099	\$ 687,247
Restricted	2,230,278	1,200,453
	\$ 3,379,377	\$ 1,887,700

The municipality has internally and externally restricted funds that are segregated and will be used only for specific purposes.

The municipality's bank accounts are all held at one financial institution. The Canadian Deposit Insurance Corporation insures deposits up to a maximum of \$100,000 per financial institution.

2. Long-Term Receivables

	2022	2021
Tile drainage loans, 6% or 8%, various repayment amounts, due from 2023 to 2030	\$ 125,666	\$ 156,724
Water loans, receivable for the capital costs of upgrades to provide water service to users of the system as set out in By-Law Number 50-2006, 7.5%, repayable in annual instalments of \$287, due 2026	17,485	23,412
Water loans, receivable for the capital costs of upgrades to provide water service to users of the system, 5%, repayable in annual instalments of \$348, due 2026	115,321	149,377
	\$ 258,472	\$ 329,513

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2022

3. Solid Waste Landfill Closure and Post-Closure Liabilities

	2022	2021
Landfill closure and post-closure liability	\$ 120,816	\$ 120,816

Solid waste landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance.

The liability for the landfill sites in the Township is recorded at \$120,816 and represents the present value of closure and post-closure costs for varying percentages of the current sites' opened cells, using the municipality's long-term borrowing rate of 3%. The liability is recorded based on the capacity of the landfills used to date.

The liability is expected to be funded through budget allocations over the remaining life of the landfill, however, during the 2012 fiscal year, the County of Dufferin assumed garbage collection and disposal responsibility and the landfill site ceased to be used for a significant volume of garbage. At year end, the Township was undertaking a process of considering various options for the site, which would impact the timeline to close the site. Accordingly, the liability has not been adjusted due to the uncertainty of the outcome of this process.

4. Long-Term Liabilities

The balance of long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2022	2021
Tile drainage loans payable, 6% or 8%, various repayment amounts, due from 2023 to 2030	\$ 125,666	\$ 156,724

Principal payments for the next 5 fiscal years and thereafter are as follows:

2023	\$ 28,682
2024	27,469
2025	20,856
2026	19,349
2027	9,899
Thereafter	19,411
	\$ 125,666

The Corporation of the Township of Amaranth

Notes to Financial Statements

December 31, 2022

4. Long-Term Liabilities - (continued)

Subsequent to year end, the Township of Amaranth received \$750,000 in long-term borrowing from the Ontario Infrastructure and Lands Corporation (OILC) for the Bridge 2 capital project. Interest is repayable at 4.79%. It is repayable in semi-annual instalments of blended principal and interest totaling \$85,230, due July 2028.

5. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 14 members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The employer amount contributed to OMERS for 2022 was \$99,975 (2021 - \$72,749). The contribution rate for 2022 was 9.0% to 15.8% depending on age and income level (2021 - 9.0% to 15.8%).

OMERS is a multi-employer plan, therefore 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. The last available report for the OMERS plan was December 31, 2022. At that time the plan reported a \$6.68 billion actuarial deficit (2021 - \$3.1 billion), based on actuarial liabilities of \$128.79 billion (2021 - \$119.3 billion) and actuarial assets of \$122.11 billion (2021 - \$116.2 billion). Ongoing adequacy of the current contribution rates will need to be monitored as declines in the financial markets may lead to increased future funding requirements.

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2022

6. Tangible Capital Assets

	2022						
	Land and Land Improvements	Buildings	Vehicles	Transportation Infrastructure	Furniture and Equipment	Environmental Infrastructure	Total
Cost, beginning of year	\$ 1,925,466	\$ 2,706,715	\$ 3,229,499	\$ 20,211,750	\$ 828,431	\$ 5,463,095	\$ 34,364,956
Additions	10,050	74,075	73,798	851,891	4,150	23,467	1,037,431
Disposals		-	(29,555)	(168,532)	(7,072)	-	(205,159)
Cost, end of year	1,935,516	2,780,790	3,273,742	20,895,109	825,509	5,486,562	35,197,228
Accumulated amortization, beginning of year	233,754	1,833,803	2,316,935	9,979,646	619,909	2,039,290	17,023,337
Amortization	6,394	49,728	151,466	578,073	25,653	68,740	880,054
Disposals	-	-	(29,555)	(168,532)	(7,072)	-	(205,159)
Accumulated amortization, end of year	240,148	1,883,531	2,438,846	10,389,187	638,490	2,108,030	17,698,232
Net carrying amount, end of year	\$ 1,695,368	\$ 897,259	\$ 834,896	\$ 10,505,922	\$ 187,019	\$ 3,378,532	\$ 17,498,996

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2022

6. Tangible Capital Assets - (continued)

							2021
	Land and Land Improvements	Buildings	Vehicles	Transportation Infrastructure	Furniture and Equipment	Environmental Infrastructure	Total
Cost, beginning of year	\$ 1,925,466	\$ 2,575,136	\$ 3,695,979	\$ 20,025,175	\$ 830,732	\$ 5,463,095	\$ 34,515,583
Additions		131,579	2,392	283,366	8,577	-	425,914
Disposals	-	-	(468,872)	(96,791)	(10,878)	-	(576,541)
Cost, end of year	1,925,466	2,706,715	3,229,499	20,211,750	828,431	5,463,095	34,364,956
Accumulated amortization, beginning of year	227,359	1,786,150	2,583,851	9,546,259	610,643	1,970,551	16,724,813
Amortization	6,395	47,653	201,163	530,178	20,144	68,739	874,272
Disposals	-	-	(468,079)	(96,791)	(10,878)	-	(575,748)
Accumulated amortization, end of year	233,754	1,833,803	2,316,935	9,979,646	619,909	2,039,290	17,023,337
Net carrying amount, end of year	\$ 1,691,712	\$ 872,912	\$ 912,564	\$ 10,232,104	\$ 208,522	\$ 3,423,805	\$ 17,341,619

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2022

6. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$779,727 (2021 - \$136,580).

7. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2022	2021
Invested in tangible capital assets		
Tangible capital assets at cost less amortization	\$ 17,498,996	\$ 17,341,619
Unfinanced capital assets	<u>(669,807)</u>	<u>(87,366)</u>
Total invested in capital assets	16,829,189	17,254,253
Unfunded solid waste closure and post-closure costs	(120,816)	(120,816)
General surplus (Note 10)	301,193	301,193
Waterworks systems	57,008	61,282
Shelburne and District Fire Department	-	9,438
Grand Valley and District Fire Department	<u>(7,501)</u>	<u>(8,455)</u>
	17,059,073	17,496,895
Reserves and reserve funds (Note 8)	<u>3,283,206</u>	<u>2,047,654</u>
Accumulated surplus	<u>\$ 20,342,279</u>	<u>\$ 19,544,549</u>

During the year the general surplus of \$1,228,845 was transferred to reserves as approved by Council.

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2022

8. Reserves and Reserve Funds Set Aside for Specific Purpose by Council

	2022	2021
Reserves		
Working funds	\$ 1,322,002	\$ 93,160
Recreation projects	8,940	10,000
Capital assets - equipment replacement and asset management	312,207	312,207
Capital purposes - bridges and buildings	1,303,725	1,303,725
	2,946,874	1,719,092
 Reserve funds		
Fire - current purposes	4,318	9,461
Fire - capital purposes	332,014	319,101
	336,332	328,562
 Reserves and reserve funds set aside for specific purpose by Council	\$ 3,283,206	\$ 2,047,654

9. Other Income

	2022	2022	2021
	Budget	Actual	Actual
Penalties and interest on taxation	\$ 135,000	\$ 128,476	\$ 138,686
Other fines and penalties	6,800	32,703	6,967
Investment income	3,328	38,253	15,504
Licenses, permits and rents	18,500	17,750	18,825
Donations	-	1,113	-
Gravel sales	50,000	-	50,272
Gain (loss) on disposal of capital assets	-	2,921	23,008
Annual turbine amenities agreement	112,500	113,195	112,591
Water capital contributions	-	1,103	150,261
Other	51,600	536,685	30,829
	\$ 377,728	\$ 872,199	\$ 546,943

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2022

10. Budgets

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statement of operations and changes in net financial assets for comparative purposes. The 2022 budget amounts for the Corporation of the Township of Amaranth approved by Council have been restated to conform to the presentation of the consolidated statements of operations and accumulated surplus and changes in net financial assets. The following is a reconciliation of the budget approved by Council.

	2022 Budget	2022 Actual	2021 Actual
Annual surplus (Page 7)	\$ 308,052	\$ 797,730	\$ 852,736
Amortization	-	880,054	874,272
Change in other surpluses	-	12,758	14,279
	308,052	1,690,542	1,741,287
Net transfers (to) from reserves	83,285	(94,073)	(252,608)
Capital acquisitions, disposals and write-down	(891,337)	(1,037,431)	(425,121)
Capital projects not funded	-	669,807	87,366
Proceeds from long-term debt	500,000	-	-
Current year surplus before transfer to reserves	-	1,228,845	1,150,924
Surplus transfer to reserves	-	(1,228,845)	(1,150,924)
	-	-	-
Prior year general surplus (deficit)	-	301,193	301,193
General surplus (Note 7)	\$ -	\$ 301,193	\$ 301,193

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2022

11. Government Partnerships

The following summarizes the financial position and operations of the government partnerships which have been reported in these financial statements using proportionate consolidation:

Shelburne and District Fire Department

Shelburne and District Fire Department is a joint board under the shared control of the Township of Amaranth, the Township of Melancthon, the Town of Mono, the Township of Mulmur, and the Town of Shelburne. The consolidated financial statements include the municipality's 12.97% (2021 - 13.05%) proportionate interest of the following:

	2022	2021
Financial assets	\$ 587,430	\$ 980,612
Liabilities	56,559	8,799
Net financial assets	530,871	971,813
Non-financial assets	1,454,320	1,018,705
Accumulated surplus	\$ 1,985,191	\$ 1,990,518
Revenues	\$ 938,523	\$ 859,749
Expenses	943,850	726,231
Annual surplus (deficit)	\$ (5,327)	\$ 133,518

In the current year, the municipality's percentage share of operations of the Shelburne and District Fire Department decreased to 12.97% (2021 - 13.05%). As a result of the decrease in percentage, there has been a change in opening accumulated surplus. Opening accumulated surplus decreased by \$1,593.

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2022

11. Government Partnerships - continued

Grand Valley and District Fire Department

Grand Valley and District Fire Department is a joint board under the shared control of the Township of Amaranth, the Township of East Garafraxa, and the Town of Grand Valley. The consolidated financial statements include the municipality's 28.00% (2021 - 27.00%) proportionate operating interest and the municipality's 24.00% (2021 - 25.00%) proportionate capital interest of the following:

	2022	2021
Financial assets	\$ 995,516	\$ 841,931
Liabilities	19,009	28,534
Net financial assets	976,507	813,397
Non-financial assets	1,329,182	1,391,301
Accumulated surplus	\$ 2,305,689	\$ 2,204,698
Revenues	\$ 737,444	\$ 634,583
Expenses	636,452	547,368
Annual surplus	\$ 100,992	\$ 87,215

In the current year, the municipality's percentage share of operations and capital of the Grand Valley and District Fire Department decreased to 28% and 24%, respectively (2021 - 27.00% and 25.00%). As a result of the decrease in percentages, there has been a change in opening accumulated surplus. Opening accumulated surplus decreased by \$4,642.

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2022

11. Government Partnerships - continued

Grand Valley Medical - Dental Board

Grand Valley Medical - Dental Board is a joint board under the shared control of the Township of Amaranth, the Township of East Garafraxa, and the Town of Grand Valley. The consolidated financial statements include the municipality's 30.00% proportionate operating interest of the following:

	<u>2022</u>	<u>2021</u>
Financial assets	\$ 121,383	\$ 126,219
Liabilities	<u>11,651</u>	<u>17,998</u>
Net financial assets	109,732	108,221
Non-financial assets	<u>607,090</u>	<u>624,874</u>
Accumulated surplus	<u>\$ 716,822</u>	<u>\$ 733,095</u>
Revenues	\$ 47,210	\$ 50,639
Expenses	<u>63,483</u>	<u>65,822</u>
Annual surplus (deficit)	<u>\$ (16,273)</u>	<u>\$ (15,183)</u>

On February 27, 2023, Council received a resolution from the Grand Valley Medical-Dental Board informing the participating councils of their intention to dissolve the board.

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2022

12. Government Transfers

	Budget	2022	2021
Operating Transfers			
Province of Ontario			
Ontario Municipal Partnership			
Fund (OMPF)	\$ 198,000	\$ 198,000	\$ 197,500
Other	292,969	105,068	215,811
	<u>490,969</u>	<u>303,068</u>	<u>413,311</u>
Tangible Capital Asset			
Government of Canada			
Canada Community Building Fund	50,000	50,000	286,498
Roads	195,055	195,055	178,547
	<u>245,055</u>	<u>245,055</u>	<u>465,045</u>
Total transfers	<u>\$ 736,024</u>	<u>\$ 548,123</u>	<u>\$ 878,356</u>

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2022

13. Operations of School Boards and the County of Dufferin

During the year, the following taxation revenue was raised and remitted to the school boards and the County of Dufferin:

	<u>2022</u>	<u>2021</u>
School boards	\$ 1,470,090	\$ 1,460,181
County of Dufferin	2,882,716	2,845,293
	<u>\$ 4,352,806</u>	<u>\$ 4,305,474</u>

14. Trust Funds

The trust funds administered by the municipality amounting to \$52,553 (2021 - \$39,488) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of financial activities. At December 31, 2022, the trusts fund balances are as follows:

	<u>2022</u>	<u>2021</u>
Cemetery Care and Maintenance funds	<u>\$ 52,553</u>	<u>\$ 39,488</u>

15. Commitments

The Township of Amaranth has committed to spend approximately \$390,000 on capital projects in 2023 and beyond on transportation projects.

The Corporation of the Township of Amaranth

Notes to Financial Statements

December 31, 2022

16. Segmented Information

The Township of Amaranth is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, sewer, water, waste collection, disposal and recycling, recreational, library and planning. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

This item related to the revenues and expenses that relate to the governance and operations of the municipality itself and cannot be directly attributed to a specific segment.

Protection to Persons and Property

Protection is comprised of police services, fire protection, conservation authority, emergency measures, canine control and building and structural inspection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The members of the fire department consist of volunteers. The building department provides a number of services including maintenance and enforcement of building and construction codes and review of all property development plans through its application process.

Transportation

Transportation is responsible for construction and maintenance of the municipality's roadways, bridges, parking areas and streetlighting.

Environmental

Environmental services consists of providing waste collection, disposal and recycling to its citizens and providing the municipality's drinking water. They process and clean sewage and ensure the municipality's water system meets all Provincial standards.

Health

Health services include contributions to the operations of local cemeteries.

Recreational and Cultural Services

This service area provides services meant to improve the health and development of the municipality's citizens. The municipality operates and maintains parks and arenas. The municipality also provides library services and recreational programs.

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2022

16. Segmented Information - continued

Planning and Development

This department is responsible for planning and zoning including the Official plan. This service area also includes drainage.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Amounts that are directly attributable to a number of segment have been allocated on a reasonable basis as follows:

Taxation and payments-in-lieu	Allocated to those segments that are funded by these amounts based on the budget for the year
OMPF Transfer	Allocated to segments based on the budget for the year

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2022

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2022 Total
Revenue								
Taxation	\$ 738,886	\$ 999,668	\$ 1,868,944	\$ -	\$ -	\$ 434,638	\$ 347,710	\$ 4,346,381
Fees and user charges	7,320	79,709	-	105,681	-	6,622	96,025	295,357
Specific transfers	245,310	6,524	67,761	-	-	-	30,528	350,123
OMPF transfer	33,660	45,540	85,140	-	-	19,800	15,840	198,000
Other revenue	688,534	36,620	131,473	15,572	-	-	-	872,199
	<u>1,713,710</u>	<u>1,168,061</u>	<u>2,153,318</u>	<u>121,253</u>	<u>-</u>	<u>461,060</u>	<u>490,103</u>	<u>6,062,060</u>
Expenses								
Salaries and benefits	607,598	122,757	718,015	-	-	-	126,073	1,574,443
Materials and supplies	248,891	140,976	607,411	161,911	60	38,789	18,780	1,216,818
Contracted services	115,540	743,240	2,805	87,092	1,000	7,605	119,762	1,077,044
Other transfers	-	69,266	-	-	-	323,283	-	392,549
Rents and financial expenses	-	-	112,761	-	-	4,426	-	117,187
Amortization	29,171	42,647	723,334	76,727	-	8,175	-	880,054
	<u>1,001,200</u>	<u>1,118,886</u>	<u>2,164,326</u>	<u>325,730</u>	<u>1,060</u>	<u>382,278</u>	<u>264,615</u>	<u>5,258,095</u>
Opening surplus restatement	-	6,235	-	-	-	-	-	6,235
Annual surplus (deficit)	\$ 712,510	\$ 42,940	\$ (11,008)	\$ (204,477)	\$ (1,060)	\$ 78,782	\$ 225,488	\$ 797,730

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2022

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2021 Total
Revenue								
Taxation	\$ 459,481	\$ 1,044,274	\$ 2,088,548	\$ -	\$ -	\$ 292,397	\$ 292,397	\$ 4,177,097
Fees and user charges	5,640	67,784	-	78,879	-	1,765	61,825	215,893
Specific grants	176,506	8,116	470,777	-	-	5,105	20,352	680,856
OMPF grant	21,725	49,375	98,750	-	-	13,825	13,825	197,500
Other revenue	191,134	7,069	183,272	165,468	-	-	-	546,943
	<u>854,486</u>	<u>1,176,618</u>	<u>2,841,347</u>	<u>244,347</u>	<u>-</u>	<u>313,092</u>	<u>388,399</u>	<u>5,818,289</u>
Expenses								
Salaries and benefits	495,298	103,142	549,417	-	-	-	108,469	1,256,326
Interest on debt	-	-	-	-	-	-	-	-
Materials and supplies	152,177	97,098	930,071	17,681	240	21,765	16,818	1,235,850
Contracted services	172,357	789,264	11,129	105,602	8,535	5,739	110,325	1,202,951
Other transfers	-	34,186	-	-	-	202,244	-	236,430
Rents and financial expenses	-	-	105,688	-	-	3,965	-	109,653
Amortization	29,791	65,266	694,314	76,726	-	8,175	-	874,272
	<u>849,623</u>	<u>1,088,956</u>	<u>2,290,619</u>	<u>200,009</u>	<u>8,775</u>	<u>241,888</u>	<u>235,612</u>	<u>4,915,482</u>
Opening surplus restatement	-	50,071	-	-	-	-	-	50,071
Annual surplus (deficit)	\$ 4,863	\$ 37,591	\$ 550,728	\$ 44,338	\$ (8,775)	\$ 71,204	\$ 152,787	\$ 852,736

The Corporation of the Township of Amaranth
Schedule of Deferred Revenue

For the year ended December 31, 2022

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 549,054	\$ 672,455	\$ 3,108	\$ -	\$1,224,617
Canada Community Building Fund	443,574	129,366	3,095	(50,000)	526,035
Recreational land	(1,366)	4,000	-	-	2,634
	<u>991,262</u>	<u>805,821</u>	<u>6,203</u>	<u>(50,000)</u>	<u>1,753,286</u>
Other					
Shelburne & District Fire Department	-	3,243	-	-	3,243
	<u>\$ 991,262</u>	<u>\$ 809,064</u>	<u>\$ 6,203</u>	<u>\$ (50,000)</u>	<u>\$1,756,529</u>

**The Corporation of the
Township of Amaranth
Trust Funds
Financial Information
For the year ended December 31, 2022**



Tel: 519 941 0681
Fax: 519 941 8272
www.bdo.ca

BDO Canada LLP
163 First Street
Orangeville, Ontario, L9W 3J8

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers
of Corporation of the Township of Amaranth

Opinion

We have audited the financial information of the trust funds of Corporation of the Township of Amaranth (the Entity), which comprise the balance sheet as at December 31, 2022 and the statement of continuity of the trust funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial information presents fairly, in all material respects, the financial position of the trust funds of Corporation of the Township of Amaranth as at December 31, 2022 and the continuity of the trust funds for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Information* 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 information 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 Information

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

In preparing the financial information, management is responsible for assessing the Entity'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 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.



Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the financial information 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 this financial information.

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 information, 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.

Chartered Professional Accountants, Licensed Public Accountants

Orangeville, Ontario
November 28, 2023

**The Corporation of the Township of Amaranth
Trust Funds
Balance Sheet**

December 31	2022	2021
Assets		
Cash	\$ 50,753	\$ 49,953
Due from municipality	1,800	-
	<u>52,553</u>	<u>49,953</u>
Liabilities		
Due to municipality	-	10,465
	<u>-</u>	<u>10,465</u>
Fund balance	\$ 52,553	\$ 39,488

Statement of Continuity

For the year ended December 31	2022	2021
Balance, beginning of year	\$ 39,488	\$ 37,998
Receipts		
Care and maintenance and burial fees	1,300	850
Plot sales	1,000	500
Marker and monument sales	200	100
Interest earned	-	40
Transfer from municipality	10,565	-
	<u>13,065</u>	<u>1,490</u>
Balance, end of year	\$ 52,553	\$ 39,488

The Corporation of the Township of Amaranth
Trust Funds
Notes to Financial Statements

December 31, 2022

1. Summary of Significant Accounting Policies

Management Responsibility	Management of the Corporation of the Township of Amaranth Trust Funds has prepared and is responsible for the integrity, objectivity and accuracy of the financial information. The Council reviews and approves the financial information.
Basis of Accounting	<p>The financial information has been prepared in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada as prescribed by the Ontario Ministry of Municipal Affairs and Housing.</p> <p>Receipts and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes receipts 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.</p>
Use of Estimates	The preparation of financial information in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial information, and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.
Basis of Consolidation	These trust funds have not been consolidated with the financial statements of the municipality.
