

**The Corporation of the
Township of Amaranth
Financial Information
For the year ended December 31, 2023**

**The Corporation of the Township of Amaranth
Financial Information
For the year ended December 31, 2023**

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Independent Auditor's Report

**To the Members of Council
of the Corporation of the Township of Amaranth**

Qualified 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, 2023 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, except for the possible effects of the matters discussed in the Basis for Qualified Opinion paragraph, 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, 2023 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 Qualified Opinion

Effective January 1, 2023, the Township was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retroactive application method, the asset retirement obligation on transition is to be recorded using assumptions as of January 1, 2023. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. Management has not completed its assessment of the tangible capital assets for potential asset retirement obligations. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended December 31, 2023 and 2022, tangible capital assets and the asset retirement obligation as at December 31, 2023 and 2022, and accumulated surplus as at January 1 and December 31 for both the 2023 and 2022 years.

As a result of PS 3280 not being adopted, the Township accounts for its landfill closure and post-closure liability in accordance with withdrawn PS 3270 Solid Waste Landfill Closure and Post-Closure Liability. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended December 31, 2023 and 2022, landfill closure and post-closure liability as at December 31, 2023 and 2022, and accumulated surplus as at January 1 and December 31 for both the 2023 and 2022 years.

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 Township in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Orangeville, Ontario
December 5, 2024

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

December 31	2023	2022
Financial assets		
Cash (Note 2)	\$ 3,953,907	\$ 3,379,377
Taxes receivable	1,206,302	923,994
Trade and other receivables	1,004,860	907,368
Long-term receivables (Note 3)	189,869	258,472
	<u>6,354,938</u>	<u>5,469,211</u>
Liabilities		
Accounts payable and accrued liabilities	1,298,324	996,517
Solid waste landfill closure and post-closure liabilities (Note 4)	120,816	120,816
Deferred revenue (Page 33)	2,162,699	1,756,529
Long-term liabilities (Note 5)	837,714	125,666
	<u>4,419,553</u>	<u>2,999,528</u>
Net financial assets	<u>1,935,385</u>	<u>2,469,683</u>
Non financial assets		
Inventory of supplies	117,045	373,600
Prepaid expenses	19,765	-
Tangible capital assets (Note 7)	17,940,332	17,498,996
	<u>18,077,142</u>	<u>17,872,596</u>
Accumulated surplus (Note 8)	<u>\$20,012,527</u>	<u>\$ 20,342,279</u>

The accompanying 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	2023	2023	2022
	Budget (Note 11)	Actual	Actual
Revenue			
Taxation	\$ 4,705,553	\$ 4,724,968	\$ 4,346,381
Fees and user charges	246,596	318,575	295,357
Grants (Note 13)	430,033	505,789	548,123
Other income (Note 10)	510,139	582,714	872,199
	<u>5,892,321</u>	<u>6,132,046</u>	<u>6,062,060</u>
Expenses			
General government	1,116,110	1,170,409	1,001,200
Protection services	1,185,504	1,274,591	1,118,886
Transportation services	1,884,085	2,931,789	2,164,326
Environmental services	214,616	452,984	325,730
Health services	12,500	10,598	1,060
Recreation and cultural services	379,446	369,757	382,278
Planning and development	498,609	231,971	264,615
	<u>5,290,870</u>	<u>6,442,099</u>	<u>5,258,095</u>
Change in opening surplus of government partnerships (Note 12)	-	19,699	6,235
	<u>5,290,870</u>	<u>6,461,798</u>	<u>5,264,330</u>
Annual surplus (deficit) (Note 11)	601,451	(329,752)	797,730
Accumulated surplus, beginning of year	<u>20,342,279</u>	<u>20,342,279</u>	<u>19,544,549</u>
Accumulated surplus, end of year	<u>\$ 20,943,730</u>	<u>\$20,012,527</u>	<u>\$ 20,342,279</u>

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

<u>For the year ended December 31</u>	<u>2023</u>	<u>2023</u>	<u>2022</u>
	Budget (Note 11)	Actual	Actual
Annual surplus (deficit) (Page 7)	\$ 601,451	\$ (329,752)	\$ 797,730
Acquisition of tangible capital assets	(1,838,421)	(1,681,820)	(1,037,431)
Amortization of tangible capital assets	-	995,791	880,054
(Gain) loss on sale of tangible capital assets	-	244,693	(2,921)
Proceeds on disposal of capital assets	-	-	2,921
	<u>(1,838,421)</u>	<u>(441,336)</u>	<u>(157,377)</u>
Change in prepaid expenses	-	(19,765)	1,741
Change in inventories of supplies	-	256,555	(60,600)
	<u>-</u>	<u>236,790</u>	<u>(58,859)</u>
Increase (decrease) in net financial assets	(1,236,970)	(534,298)	581,494
Net financial assets, beginning of the year	-	2,469,683	1,888,189
Net financial assets, end of the year	<u>\$ (1,236,970)</u>	<u>\$ 1,935,385</u>	<u>\$ 2,469,683</u>

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

For the year ended December 31	2023	2022
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ (329,752)	\$ 797,730
Items not involving cash		
Change in prepaid expenses	(19,765)	1,741
Amortization	995,791	880,054
Deferred revenue recognized	(3,243)	(50,000)
Change in inventory of supplies	256,555	(60,600)
(Gain) loss on sale of capital assets	244,693	(2,921)
	<u>1,144,279</u>	<u>1,566,004</u>
Changes in non-cash working capital balances		
Taxes receivable	(282,308)	(22,195)
Trade and other receivables	(97,492)	395,656
Accounts payable and accrued liabilities	301,807	(268,528)
Deferred revenue received	409,413	815,267
	<u>331,420</u>	<u>920,200</u>
	<u>1,475,699</u>	<u>2,486,204</u>
Capital transactions		
Cash used to acquire capital assets	(1,681,820)	(1,037,431)
Proceeds on sale of capital assets	-	2,921
	<u>(1,681,820)</u>	<u>(1,034,510)</u>
Investing activities		
Repayments of long-term receivables	68,603	71,041
Financing activities		
Additions to long-term liabilities	750,000	-
Repayment of long-term liabilities	(37,952)	(31,058)
	<u>712,048</u>	<u>(31,058)</u>
Net change in cash	574,530	1,491,677
Cash, beginning of year	<u>3,379,377</u>	<u>1,887,700</u>
Cash, end of year	<u>\$ 3,953,907</u>	<u>\$ 3,379,377</u>

The accompanying notes are an integral part of these financial statements.

The Corporation of the Township of Amaranth

Notes to Financial Statements

December 31, 2023

1. Summary of Significant Accounting Policies

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
(2023 - 13.78%, 2022 - 12.97%)

Grand Valley and District Fire Department
Operating - (2023 - 23.00%, 2022 - 28.00%)
Capital - (2023 - 24.00%, 2022 - 24.00%)

Grand Valley Medical - Dental Board
Operating - 30.00%

The Corporation of the Township of Amaranth Notes to Financial Statements

December 31, 2023

1. Summary of Significant Accounting Policies - (continued)

Basis of Consolidation (cont.) 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 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.

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 events 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 Notes to Financial Statements

December 31, 2023

1. Summary of 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.

Township and School Boards

The Township 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.

Tangible Capital Assets

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:

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

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

Inventory of Supplies

Inventory held for consumption is recorded at the lower of cost and replacement cost.

The Corporation of the Township of Amaranth

Notes to Financial Statements

December 31, 2023

1. Summary of Significant Accounting Policies - (continued)

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.
Post-Employment Benefits	The contributions to the Ontario Municipal Employers Retirement System ("OMERS"), a multi-employer defined benefit plan, are expensed when contributions are due.
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.
Asset Retirement Obligation	A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset: the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. Management intends to complete an assessment of the asset retirement obligation subsequent to the December 31, 2023 year end.
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 Township 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 attribute to remediation activities including post remediation operations, maintenance and monitoring. Management is not aware of any contaminated sites for which a liability needs to be recognized.

The Corporation of the Township of Amaranth Notes to Financial Statements

December 31, 2023

1. Summary of Significant Accounting Policies - (continued)

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.

Trust Funds

Funds held in trust by the Township, 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.

Financial Instruments

Cash is measured at fair value. All other financial instruments, taxes receivable, trade and other receivables, long-term receivables, accounts payable and accrued liabilities, and long-term liabilities are measured at cost or amortized cost.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2023

2. Cash

	2023	2022
Unrestricted	\$ 1,314,255	\$ 1,149,099
Restricted	2,639,652	2,230,278
	\$ 3,953,907	\$ 3,379,377

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

3. Long-Term Receivables

	2023	2022
Tile drainage loans, 6% or 8%, various repayment amounts, due from 2024 to 2030	\$ 87,714	\$ 125,666
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 installments of \$287, due 2026	13,631	17,485
Water loans, receivable for the capital costs of upgrades to provide water service to users of the system, 5%, repayable in annual installments of \$348, due 2026	88,524	115,321
	\$ 189,869	\$ 258,472

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2023

4. Solid Waste Landfill Closure and Post-Closure Liabilities

	2023	2022
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 Township of Amaranth 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.

5. Long-Term Liabilities

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

	2023	2022
Tile drainage loans payable, 6% or 8%, various repayment amounts, due from 2024 to 2030	\$ 87,714	\$ 125,666
Infrastructure Ontario Loan, Bridge 2, interest at 4.79%, repayable in blended semi-annual payments of \$85,230, due July 2028	750,000	-
	\$ 837,714	\$ 125,666

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2023

5. Long-Term Liabilities - (continued)

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

2024	\$	159,836
2025		159,596
2026		167,527
2027		166,818
2028		175,018
Thereafter		<u>8,919</u>
	\$	<u>837,714</u>

6. 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 2023 was \$101,337 (2022 - \$99,975). The contribution rate for 2023 was 9.0% to 15.8% depending on age and income level (2022 - 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, 2023. At that time the plan reported a \$4.20 billion actuarial deficit (2022 - \$6.68 billion), based on actuarial liabilities of \$134.57 billion (2022 - \$128.79 billion) and actuarial assets of \$130.37 billion (2022 - \$122.11 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, 2023

7. Tangible Capital Assets

	2023						
	Land and Land Improvements	Buildings	Vehicles	Transportation Infrastructure	Furniture and Equipment	Environmental Infrastructure	Total
Cost, beginning of year	\$ 1,935,516	\$ 2,780,790	\$ 3,273,742	\$ 20,895,109	\$ 825,509	\$ 5,486,562	\$ 35,197,228
Additions		112,321	225,972	1,267,780	75,747	-	1,681,820
Disposals		-	-	(530,156)	-	-	(530,156)
Cost, end of year	1,935,516	2,893,111	3,499,714	21,632,733	901,256	5,486,562	36,348,892
Accumulated amortization, beginning of year	240,148	1,883,531	2,438,846	10,389,187	638,490	2,108,030	17,698,232
Amortization	6,395	44,919	184,401	652,709	30,964	76,403	995,791
Disposals	-	-	-	(285,463)	-	-	(285,463)
Accumulated amortization, end of year	246,543	1,928,450	2,623,247	10,756,433	669,454	2,184,433	18,408,560
Net carrying amount, end of year	\$ 1,688,973	\$ 964,661	\$ 876,467	\$ 10,876,300	\$ 231,802	\$ 3,302,129	\$ 17,940,332

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2023

7. Tangible Capital Assets - (continued)

							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, 2023

7. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$101,660 (2022 - \$779,727).

8. Accumulated Surplus

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

	2023	2022
Invested in tangible capital assets		
Tangible capital assets at cost less amortization	\$17,940,332	\$ 17,498,996
Unfinanced capital assets	-	(669,807)
Capital assets financed by long-term liabilities and to be funded in future years	(750,000)	-
Total invested in capital assets	17,190,332	16,829,189
Unfunded solid waste closure and post-closure costs	(120,816)	(120,816)
General surplus (Note 11)	301,193	301,193
Waterworks systems	65,493	57,008
Shelburne and District Fire Department	(2,972)	-
Grand Valley and District Fire Department	(10,865)	(7,501)
	17,422,365	17,059,073
Reserves and reserve funds (Note 9)	2,590,162	3,283,206
Accumulated surplus	\$20,012,527	\$ 20,342,279

During the year the general deficit of \$206,508 was transferred from reserves as approved by Council.

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2023

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

	<u>2023</u>	<u>2022</u>
Reserves		
Working funds	\$ 615,494	\$ 1,322,002
Recreation projects	8,940	8,940
Capital assets - equipment replacement and asset management	317,207	312,207
Capital purposes - bridges and buildings	<u>1,303,725</u>	<u>1,303,725</u>
	<u>2,245,366</u>	<u>2,946,874</u>
Reserve funds		
Fire - current purposes	-	4,318
Fire - capital purposes	<u>344,796</u>	<u>332,014</u>
	<u>344,796</u>	<u>336,332</u>
Reserves and reserve funds set aside for specific purpose by Council	<u>\$ 2,590,162</u>	<u>\$ 3,283,206</u>

10. Other Income

	<u>2023</u>	<u>2023</u>	<u>2022</u>
	Budget	Actual	Actual
Penalties and interest on taxation	\$ 135,000	\$ 144,505	\$ 128,476
Other fines and penalties	29,200	37,801	32,703
Investment income	33,158	67,473	38,253
Licenses, permits and rents	18,900	27,499	17,750
Donations	-	-	1,113
Gravel sales	50,000	-	-
Gain (loss) on disposal of capital assets	-	(244,693)	2,921
Annual turbine amenities agreement	113,195	113,300	113,195
Water capital contributions	4,593	4,593	1,103
Developer contributions	-	46,858	-
Local improvements municipal drainage	-	191,002	-
Pullen Well	-	-	510,019
Other	126,093	194,376	26,666
	<u>\$ 510,139</u>	<u>\$ 582,714</u>	<u>\$ 872,199</u>

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2023

11. Budgets

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statements of operations and accumulated surplus and changes in net financial assets for comparative purposes. The 2023 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.

	2023 Budget	2023 Actual	2022 Actual
Annual surplus (deficit) (Page 7)	\$ 601,451	\$ (329,752)	\$ 797,730
Amortization	-	995,791	880,054
Change in other surpluses	-	(2,149)	12,758
	601,451	663,890	1,690,542
Net transfers (to) from reserves	486,970	486,536	(94,073)
Capital acquisitions, disposals and write-down	(1,838,421)	(1,437,127)	(1,037,431)
Capital projects not funded	-	(669,807)	669,807
Proceeds from long-term debt	750,000	750,000	-
Current year surplus before transfer to reserves	-	(206,508)	1,228,845
Deficit/(surplus) transfer from/(to) reserves	-	206,508	(1,228,845)
	-	-	-
Prior year general surplus	-	301,193	301,193
General surplus (Note 8)	\$ -	\$ 301,193	\$ 301,193

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2023

12. 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 13.78% (2022 - 12.97%) proportionate interest of the following:

	2023	2022
Financial assets	\$ 334,068	\$ 587,430
Liabilities	156,535	56,559
Net financial assets	177,533	530,871
Non-financial assets	1,893,191	1,454,320
Accumulated surplus	\$ 2,070,724	\$ 1,985,191
Revenues	\$ 1,281,846	\$ 938,523
Expenses	1,196,313	943,850
Annual surplus (deficit)	\$ 85,533	\$ (5,327)

In the current year, the municipality's percentage share of operations of the Shelburne and District Fire Department increase to 13.78% (2022 - 12.97%). As a result of the increase in percentage, there has been a change in opening accumulated surplus. Opening accumulated surplus increased by \$16,080 (2022 - decrease by \$1,593).

**The Corporation of the Township of Amaranth
Notes to Financial Statements**

December 31, 2023

12. 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 23.00% (2022 - 28.00%) proportionate operating interest and the municipality's 24.00% (2022 - 24.00%) proportionate capital interest of the following:

	<u>2023</u>	<u>2022</u>
Financial assets	\$ 1,287,898	\$ 995,516
Liabilities	<u>56,554</u>	<u>19,009</u>
Net financial assets	1,231,344	976,507
Non-financial assets	<u>1,347,705</u>	<u>1,329,182</u>
Accumulated surplus	<u>\$ 2,579,049</u>	<u>\$ 2,305,689</u>
Revenues	\$ 1,053,480	\$ 737,444
Expenses	<u>780,120</u>	<u>636,452</u>
Annual surplus	<u>\$ 273,360</u>	<u>\$ 100,992</u>

In the current year, the municipality's percentage share of operations of the Grand Valley and District Fire Department decreased to 23% (2022 - 28%). As a result of the decrease in percentage, there has been a change in opening accumulated surplus. Opening accumulated surplus decreased by \$35,779 (2022 - \$4,642).

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2023

12. 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>2023</u>	<u>2022</u>
Financial assets	\$ 116,057	\$ 121,383
Liabilities	<u>9,138</u>	<u>11,651</u>
Net financial assets	106,919	109,732
Non-financial assets	<u>591,033</u>	<u>607,090</u>
Accumulated surplus	<u>\$ 697,952</u>	<u>\$ 716,822</u>
Revenues	\$ 51,772	\$ 47,210
Expenses	<u>70,642</u>	<u>63,483</u>
Annual surplus (deficit)	<u>\$ (18,870)</u>	<u>\$ (16,273)</u>

On October 16, 2024, Council received a resolution from the Grand Valley Medical-Dental Board informing the participating councils of their intention to dissolve the board as of December 31, 2024.

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2023

13. Government Transfers

	Budget	2023	2022
Operating Transfers			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	\$ 198,600	\$ 198,600	\$ 198,000
Other	65,298	141,054	105,068
	263,898	339,654	303,068
Tangible Capital Asset			
Government of Canada			
Canada Community Building Fund	-	-	50,000
Roads	166,135	166,135	195,055
	166,135	166,135	245,055
Total transfers	\$ 430,033	\$ 505,789	\$ 548,123

14. 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:

	2023	2022
School boards	\$ 1,528,555	\$ 1,470,090
County of Dufferin	3,108,925	2,882,716
	\$ 4,637,480	\$ 4,352,806

15. Trust Funds

The trust funds administered by the municipality amounting to \$51,753 (2022 - \$52,553) 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, 2023, the trusts fund balances are as follows:

	2023	2022
Cemetery Care and Maintenance funds	\$ 51,753	\$ 52,553

The Corporation of the Township of Amaranth Notes to Financial Statements

December 31, 2023

16. Commitments

The Township of Amaranth has committed to spend approximately \$913,927 on capital projects and vehicles in 2024 and beyond on transportation projects.

17. Financial Instruments

Financial Instrument Risk Management

The Township is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the Township's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these consolidated financial statements.

Credit Risk

The Township is exposed to credit risk through its cash, taxes receivable, trade and other receivables and long-term receivables. 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. There is the possibility of non-collection of taxes receivable, trade and other receivables and long-term receivables. The majority of the Township's receivables are from ratepayers and government entities. For receivables, the Township measures impairment of each receivable type based on how long the amounts have been outstanding. The amounts outstanding at year end, which is the Township's maximum exposure to credit risk related to receivables, were as follows:

	0 - 30 days	31 - 90 days	91 - 365 days	1 to 2 years	3 to 10 years
Cash	\$ 3,953,907	\$ -	\$ -	\$ -	-
Taxes receivable	-	-	966,290	207,244	32,768
Trade and other receivables	-	-	10,699	591,818	402,343
Long-term receivables	-	-	-	107,281	82,588
Total	\$ 3,953,907	\$ -	\$ 976,989	\$ 906,343	\$ 517,699

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2023

17. Financial Instruments (continued)

Liquidity Risk

Liquidity risk is the risk that the Township encounters difficulty in meeting its obligations as they fall due. The Township has a planning and budgeting process in place to help determine the funds required to support the Township's normal operating requirements on an ongoing basis. The Township is exposed to liquidity risk through its accounts payable and accrued liabilities and long-term liabilities. The Township ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash. Further, the Township seeks to maintain an available line of credit balance as approved by the appropriate borrowing by-law to meet, at a minimum, expected requirements for a period of at least 90 days. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Within 6 months	6 months to 1 year	1 - 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 741,913	\$ 556,411	\$ -	\$ -
Long-term debt	-	-	828,795	8,919
Total financial liabilities	<u>\$ 741,913</u>	<u>\$ 556,411</u>	<u>\$ 828,795</u>	<u>\$ 8,919</u>

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Township is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the variable rate on bank accounts and fixed long-term liabilities.

18. Comparative Amounts

The comparative amounts presented in the financial statements have been reclassified to conform to the current year's presentation.

The Corporation of the Township of Amaranth

Notes to Financial Statements

December 31, 2023

19. 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, 2023

19. 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, 2023

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2023 Total
Revenue								
Taxation	\$ 897,744	\$ 1,417,490	\$ 1,889,987	\$ -	\$ -	\$ 472,497	\$ 519,746	\$ 4,724,968
Fees and user charges	18,364	88,442	-	109,913	1,550	11,588	88,718	318,575
Specific transfers	215,880	6,700	1,741	-	-	10,210	72,658	307,189
OMPF transfer	37,734	59,580	79,440	-	-	19,860	21,846	198,600
Other revenue	385,545	48,927	(91,622)	239,864	-	-	-	582,714
	<u>1,555,267</u>	<u>1,621,139</u>	<u>1,879,546</u>	<u>349,777</u>	<u>1,550</u>	<u>514,155</u>	<u>702,968</u>	<u>6,132,046</u>
Expenses								
Salaries and benefits	611,950	141,203	766,814	-	-	-	81,615	1,601,582
Materials and supplies	402,486	143,235	1,205,957	251,283	-	73,142	13,886	2,089,989
Contracted services	127,876	844,149	25,754	125,297	10,598	7,884	136,470	1,278,028
Other transfers	-	62,887	-	-	-	275,472	-	338,359
Rents and financial expenses	-	-	133,266	-	-	5,084	-	138,350
Amortization	28,097	83,117	799,998	76,404	-	8,175	-	995,791
	<u>1,170,409</u>	<u>1,274,591</u>	<u>2,931,789</u>	<u>452,984</u>	<u>10,598</u>	<u>369,757</u>	<u>231,971</u>	<u>6,442,099</u>
Opening surplus restatement	-	19,699	-	-	-	-	-	19,699
Annual surplus (deficit)	\$ 384,858	\$ 326,849	\$ (1,052,243)	\$ (103,207)	\$ (9,048)	\$ 144,398	\$ 470,997	\$ (329,752)

The Corporation of the Township of Amaranth
Notes to Financial Statements

December 31, 2023

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	\$ 695,421	\$ 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 grants	245,310	6,524	67,761	-	-	-	30,528	350,123
OMPF grant	31,680	45,540	85,140	-	-	19,800	15,840	198,000
Other revenue	178,515	36,620	131,473	15,572	-	-	-	872,199
	<u>1,158,246</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)	\$ 157,046	\$ 42,940	\$ (11,008)	\$ (204,477)	\$ (1,060)	\$ 78,782	\$ 225,488	\$ 797,730

The Corporation of the Township of Amaranth
Schedule of Deferred Revenue

For the year ended December 31, 2023

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 1,224,617	\$ 138,281	\$ 27,541	\$ -	\$1,390,439
Canada Community Building Fund	526,035	134,991	15,900	-	676,926
Recreational land	2,634	92,700	-	-	95,334
	<u>1,753,286</u>	<u>365,972</u>	<u>43,441</u>	<u>-</u>	<u>2,162,699</u>
Other					
Shelburne & District Fire Department	3,243	-	-	(3,243)	-
	<u>\$ 1,756,529</u>	<u>\$ 365,972</u>	<u>\$ 43,441</u>	<u>\$ (3,243)</u>	<u>\$2,162,699</u>

**The Corporation of the
Township of Amaranth
Trust Funds
Financial Information
For the year ended December 31, 2023**



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
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, 2023 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, 2023 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Orangeville, Ontario
December 5, 2024

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

December 31	2023	2022
Assets		
Cash	\$ 1,753	\$ 50,753
Investments (Note 2)	50,000	-
Due from municipality	-	1,800
Fund balance	\$ 51,753	\$ 52,553

Statement of Continuity

For the year ended December 31	2023	2022
Balance, beginning of year	\$ 52,553	\$ 39,488
Receipts		
Care and maintenance and burial fees	250	1,300
Plot sales	250	1,000
Marker and monument sales	500	200
Transfer from municipality	-	10,565
	1,000	13,065
Expenses		
Transfer to municipality	1,800	-
Balance, end of year	\$ 51,753	\$ 52,553

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

December 31, 2023

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.
Financial Instrument	Cash is measured at fair value. All other financial instruments are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the balance sheet. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of continuity. Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost.

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

December 31, 2023

2. Financial Instruments

The Trust is exposed to risks that arise from its use of financial instruments. The trust's financial instruments consist of cash, investments, and due from the Township. It is management's opinion that the Trust is not exposed to significant currency risk arising from these financial instruments. The Trust is exposed to interest rate risk arising from its bank accounts and investments. The investments consist of a guaranteed investment certificate with interest at 4.75% due September 18, 2024. The trust is exposed to credit risk relating to its cash, investments and due from the Township. The cash and investments are held in Canadian Chartered banks and an Ontario Credit Union.
