

**The Corporation of the
Township of Chisholm
Financial Statements
For the year ended December 31, 2022**

The Corporation of the Township of Chisholm
Financial Statements
For the year ended December 31, 2022

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Independent Auditor's Report

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

Opinion

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

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

Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the Township'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 Township or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

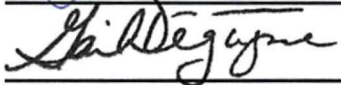
North Bay, Ontario
June 27, 2023

**The Corporation of the Township of Chisholm
Statement of Financial Position**

December 31	2022	2021
Financial assets		
Cash and cash equivalents (Note 5)	\$ 1,095,149	\$ 420,124
Taxes receivable (Note 1)	181,472	240,436
Accounts receivable (Note 2)	250,675	519,599
	1,527,296	1,180,159
Liabilities		
Accounts payable (Note 6)	162,981	199,473
Deferred revenue (Note 10)	508,877	204,662
Long-term debt (Note 7)	337,619	333,100
Post employment benefits accrual (Note 9)	10,815	14,744
Landfill closure and post closure accrual (Note 8)	219,308	223,665
	1,239,600	975,644
Net financial assets	287,696	204,515
Non-financial assets		
Tangible capital assets (Note 4)	7,649,890	7,878,176
Inventories (Note 3)	69,460	51,953
	7,719,350	7,930,129
Accumulated surplus (Note 12)	\$ 8,007,046	\$ 8,134,644

On behalf of Council:


_____, Clerk-Treasurer


_____, Mayor

The Corporation of the Township of Chisholm Statement of Operations and Accumulated Surplus

For the year ended December 31	2022 Budget (Note 14)	2022 Actual	2021 Actual
Revenues			
Taxation (Note 13)	\$ 1,720,773	\$ 1,740,152	\$ 1,713,587
Government transfers and grants	656,878	755,014	2,602,604
User fees	91,650	57,532	64,637
Other	44,000	128,220	119,923
	<u>2,513,301</u>	<u>2,680,918</u>	<u>4,500,751</u>
Expenses (Note 15)			
Transportation services (Note 7)	1,000,200	1,391,997	1,357,160
General government	608,879	501,926	514,972
Protection to persons and property	351,442	328,241	321,569
Social and family services	336,711	336,689	325,866
Environmental services	138,262	121,883	142,213
Planning and development	29,850	25,595	43,896
Recreation and culture	40,520	58,308	48,907
Health services	43,072	43,877	53,533
	<u>2,548,936</u>	<u>2,808,516</u>	<u>2,808,116</u>
Annual (deficit) surplus	(35,635)	(127,598)	1,692,635
Accumulated surplus, beginning of year	<u>8,134,644</u>	<u>8,134,644</u>	<u>6,442,009</u>
Accumulated surplus, end of year	<u>\$ 8,099,009</u>	<u>\$ 8,007,046</u>	<u>\$ 8,134,644</u>

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

The Corporation of the Township of Chisholm Statement of Changes in Net Financial Assets

For the year ended December 31	2022 Budget (Note 14)	2022 Actual	2021 Actual
Annual (deficit) surplus	\$ (35,635)	\$ (127,598)	\$ 1,692,635
Acquisition of tangible capital assets	-	(387,782)	(2,306,203)
Amortization of tangible capital assets	-	616,068	616,823
	<u>(35,635)</u>	<u>100,688</u>	<u>3,255</u>
Acquisition of inventories	-	(69,460)	(51,953)
Consumption of inventories	-	51,953	65,567
	<u>-</u>	<u>(17,507)</u>	<u>13,614</u>
Increase in net financial assets	(35,635)	83,181	16,869
Net financial assets, beginning of year	204,515	204,515	187,646
Net financial assets, end of year	\$ 168,880	\$ 287,696	\$ 204,515

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

The Corporation of the Township of Chisholm Statement of Cash Flows

For the year ended December 31	2022	2021
Cash provided by (used in)		
Operating transactions		
Annual surplus	\$ (127,598)	\$ 1,692,635
Items not involving cash		
Amortization of tangible capital assets	<u>616,068</u>	616,823
	488,470	2,309,458
Changes in non-cash operating balances		
Taxes receivable	58,964	41,264
Accounts receivable	268,924	4,378
Accounts payable	(36,492)	51,979
Deferred revenue	304,215	70,994
Post employment benefits accrual	(3,929)	3,505
Landfill closure and post closure accrual	(4,357)	15,092
Inventories	<u>(17,507)</u>	13,614
	<u>1,058,288</u>	<u>2,510,284</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(387,782)</u>	<u>(2,306,203)</u>
Financing transactions		
Proceeds from long-term borrowing	90,000	-
Repayment of long-term debt	<u>(85,481)</u>	<u>(68,333)</u>
	<u>4,519</u>	<u>(68,333)</u>
Increase in cash and cash equivalents during the year	675,025	135,748
Cash and cash equivalents, beginning of year	420,124	284,376
Cash and cash equivalents, end of year	\$ 1,095,149	\$ 420,124

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

The Corporation of the Township of Chisholm

Summary of Significant Accounting Policies

December 31, 2022

Management Responsibility The financial statements of The Corporation of the Township of Chisholm (the "Township") are the representations of management. They have been prepared in accordance with Canadian public sector accounting standards ("PSAB"). The Township provides municipal services such as general government, fire, building, protection to persons, transportation, environmental, health, social, family, recreation, culture, planning and development services.

Cash and Cash Equivalents Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

Inventories Inventory of supplies are stated at the lower of cost and replacement cost. Cost is generally determined on the first-in, first-out basis.

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

Roads	10 to 45 years
Bridges and culverts	20 to 75 years
Buildings	50 to 60 years
Vehicles	5 to 15 years
Machinery and equipment	5 to 20 years
Computer hardware and software	5 to 10 years
Land improvements	20 to 25 years

A full year of amortization is taken in the year of acquisition

**Landfill Closure
and Post-closure Accrual**

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

The Corporation of the Township of Chisholm

Summary of Significant Accounting Policies

December 31, 2022

Retirement Benefits and Other Employee Benefit Plans

Liabilities for vacations and sick leave credits earned but not taken are accrued as earned.

The Township is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Township has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Township records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

Collection of Taxes on Behalf of School Boards

The Township collects taxation revenue on behalf of the school boards. The taxation revenues, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements.

Trust Funds

Funds held in trust by the Township, and their related operations, are not included in these financial statements.

The Corporation of the Township of Chisholm

Summary of Significant Accounting Policies

December 31, 2022

Revenue Recognition

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

b. **User fees and other** User fees and other revenue are recognized on an accrual basis.

c. **Government transfers** Transfer payments, which include legislative grants, are recognized in the financial statements in the period in which the events giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be determined.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible acquisitions are made.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

In particular, management's estimate for the landfill closure and post-closure liability is subject to measurement uncertainty. The estimate is based on assumptions and calculations contained in an engineer's report completed in 2022, modified as necessary for the passage of time and actual use of the landfill site. Actual results could differ significantly from those estimates because of the uncertainty related to future cost estimates and future use of the landfill site.

The Corporation of the Township of Chisholm Notes to Financial Statements

December 31, 2022

1. Taxes Receivable

	2022	2021
Current taxes	\$ 132,203	\$ 159,596
Taxes in arrears	38,061	62,674
Interest	11,208	18,166
	\$ 181,472	\$ 240,436

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC). Tax rates are established annually by Council, incorporating amounts to be raised for local services, the requisition made by the various local boards in respect of Regional services and amounts the Township is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issuance of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Township determines the taxes applicable and renders supplementary tax billings.

2. Accounts Receivable

	2022	2021
Due from federal government	\$ 100,000	\$ 212,480
GST/HST receivable	88,550	282,425
Other receivables	62,125	24,694
	\$ 250,675	\$ 519,599

3. Inventories

	2022	2021
Granular A	\$ 18,607	\$ 8,065
Winter sand	28,891	35,958
Fuel	11,528	6,420
Culverts	7,214	1,510
Cold Mix	3,220	-
	\$ 69,460	\$ 51,953

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

December 31, 2022

4. Tangible Capital Assets

	2022								
	Land	Roads	Bridges and Culverts	Buildings	Vehicles	Machinery and Equipment	Computer Hardware and Software	Work in Progress	Total
Cost, beginning of year	\$ 398,811	\$ 19,290,445	\$ 4,143,958	\$ 431,613	\$ 1,245,013	\$ 488,675	\$ 90,879	\$ -	\$ 26,089,394
Additions	-	66,751	-	5,042	-	24,711	28,035	263,243	387,782
Disposals	-	-	-	-	-	-	-	-	-
Cost, end of year	<u>398,811</u>	<u>19,357,196</u>	<u>4,143,958</u>	<u>436,655</u>	<u>1,245,013</u>	<u>513,386</u>	<u>118,914</u>	<u>263,243</u>	<u>26,477,176</u>
Accumulated amortization, beginning of year	-	14,709,384	2,306,869	170,833	801,631	135,707	86,794	-	18,211,218
Amortization	-	425,543	64,787	13,328	71,601	30,274	10,535	-	616,068
Disposals	-	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	-	<u>15,134,927</u>	<u>2,371,656</u>	<u>184,161</u>	<u>873,232</u>	<u>165,981</u>	<u>97,329</u>	-	<u>18,827,286</u>
Net carrying amount, end of year	<u>\$ 398,811</u>	<u>\$ 4,222,269</u>	<u>\$ 1,772,302</u>	<u>\$ 252,494</u>	<u>\$ 371,781</u>	<u>\$ 347,405</u>	<u>\$ 21,585</u>	<u>\$ 263,243</u>	<u>\$ 7,649,890</u>

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

December 31, 2022

4. Tangible Capital Assets (continued)

	2021								
	Land	Roads	Bridges and Culverts	Buildings	Vehicles	Machinery and Equipment	Computer Hardware and Software	Work in Progress	Total
Cost, beginning of year	\$ 398,811	\$ 17,146,829	\$ 4,143,958	\$ 431,613	\$ 1,172,606	\$ 488,675	\$ 90,879	\$ -	\$ 23,873,371
Additions	-	2,143,616	-	-	162,587	-	-	-	2,306,203
Disposals	-	-	-	-	(90,180)	-	-	-	(90,180)
Cost, end of year	<u>398,811</u>	<u>19,290,445</u>	<u>4,143,958</u>	<u>431,613</u>	<u>1,245,013</u>	<u>488,675</u>	<u>90,879</u>	<u>-</u>	<u>26,089,394</u>
Accumulated amortization, beginning of year	-	14,290,516	2,227,256	157,756	820,210	113,768	75,069	-	17,684,575
Amortization	-	418,868	79,613	13,077	71,601	21,939	11,725	-	616,823
Disposals	-	-	-	-	(90,180)	-	-	-	(90,180)
Accumulated amortization, end of year	<u>-</u>	<u>14,709,384</u>	<u>2,306,869</u>	<u>170,833</u>	<u>801,631</u>	<u>135,707</u>	<u>86,794</u>	<u>-</u>	<u>18,211,218</u>
Net carrying amount, end of year	<u>\$ 398,811</u>	<u>\$ 4,581,061</u>	<u>\$ 1,837,089</u>	<u>\$ 260,780</u>	<u>\$ 443,382</u>	<u>\$ 352,968</u>	<u>\$ 4,085</u>	<u>\$ -</u>	<u>\$ 7,878,176</u>

The Corporation of the Township of Chisholm Notes to Financial Statements

December 31, 2022

5. Credit Facilities

The Township has a line of credit with a maximum credit limit of \$500,000. The line of credit is due on demand and bears interest at the bank's prime rate plus 0.75%, calculated and payable monthly. The line of credit is unsecured. The balance used at year end was \$Nil (2021 - \$Nil)

6. Accounts Payable

	2022	2021
Trade accounts payable	\$ 158,372	\$ 198,509
Due to school boards	4,609	964
	\$ 162,981	\$ 199,473

7. Long-term Debt

	2022	2021
Ontario Infrastructure and Lands Corporation 2.64%, due February 2027, repayable in semi-annual payments of \$13,446 principal and interest, secured by a specific piece of equipment.	\$ 113,400	\$ 136,833
Ontario Infrastructure and Lands Corporation 2.92%, due June 2022, repayable in semi-annual payments of \$11,604 principal and interest, secured by a specific piece of equipment.	-	11,436
Scotiabank loan - 2.75%, due December 2024, repayable in monthly payments of \$2,607 principal and interest.	63,279	-
Ontario Infrastructure and Lands Corporation 3.29%, due December 2028, repayable in semi-annual payments of \$14,889 principal and interest, secured by a specific piece of equipment.	160,940	184,831
	\$ 337,619	\$ 333,100

The Corporation of the Township of Chisholm Notes to Financial Statements

December 31, 2022

7. Long-term Debt (continued)

Principal repayments for the next five years and thereafter are as follows:

2023	\$ 79,415
2024	82,659
2025	51,842
2026	53,247
2027	41,396
Thereafter	<u>29,060</u>
	<u>\$ 337,619</u>

Interest expense paid relating to the long-term debt above is \$11,473 (2021 - \$11,544) and has been included in transportation services expense on the statement of operations.

8. Landfill Closure and Post-Closure Accrual

Solid waste 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 present value of the Township's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities. The reported liability as at year end was \$219,308 (2021 - \$223,665) and reflects a discount rate of 3.0% (2021 - 3.0%).

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfill. Future events could impact the established total expenses, capacity used or total capacity. If such events occur it would be treated as a change in estimate and dealt with prospectively.

The landfill is expected to reach its capacity in 27 years and the estimated remaining capacity is 18,800 cubic metres which is 47.00% (2021 - 42.00%) of the site's total capacity based on an updated survey completed in September 2022. The total discounted estimated future expenditures for closure and post-closure care are \$364,753 (2021 - \$372,000) leaving an amount to be recognized of \$145,445 (2021 - \$148,335). The estimated length of time needed for post-closure care is 25 years.

Municipal reserves for the landfill site total \$119,264 (2021 - \$108,589).

The Corporation of the Township of Chisholm Notes to Financial Statements

December 31, 2022

9. Post Employment Benefits Accrual

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Township's employment.

The liability for these accumulated days, to the extent that they have accumulated and could be taken in cash by an employee on termination, amounted to \$10,815 (2021 - \$14,744) at the end of the year. The liability has been calculated using the salary rates in effect at the end of the respective fiscal period.

10. Deferred Revenue

	<u>2022</u>	<u>2021</u>
Deferred revenue, beginning of year	\$ 204,662	\$ 133,668
Add:		
Canada community building fund contributions	81,889	160,610
OCIF contributions	163,652	88,423
Covid funding	-	29,627
Cannabis contributions	-	5,000
Lakeshore road funding	-	1,250
Modernization Intake	-	15,750
Interest earned	5,624	334
NORDS funding	81,650	-
Other funding	1,450	-
Less:		
Utilization of funds, Canada community building fund	-	(125,000)
Utilization of funds, OCIF	-	(88,423)
Utilization of funds, Covid	(20,952)	(8,675)
Utilization of funds, Modernization	(7,848)	(7,902)
Utilization of funds, Lakeshore road funding	(1,250)	-
Deferred revenue, end of year	<u>\$ 508,877</u>	<u>\$ 204,662</u>

Canada community building fund (formerly "gas tax") revenue is provided by the Government of Canada. The use of the funding is established by the funding agreement signed between the Township and the Association of Municipalities of Ontario. Canada community building fund funding must be used towards designated projects as specified in the funding agreements.

The Corporation of the Township of Chisholm

Notes to Financial Statements

December 31, 2022

11. Ontario Municipal Employees Retirement System

The Township makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer pension plan, on behalf of full-time members of staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to over half a million active, deferred and retired members and 1,000 employers.

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2021. The results of this valuation disclosed total actuarial liabilities of 120,796 million in respect of benefits accrued for service with actuarial assets at that date of \$117,665 million indicating a going concern actuarial deficit of \$3,131 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the Township to OMERS for 2022 were \$40,322 (2021 - \$41,314).

The Corporation of the Township of Chisholm Notes to Financial Statements

December 31, 2022

12. Accumulated Surplus

The Township segregates its accumulated surplus in the following categories:

	2022	2021
Investment in tangible capital assets (i)	\$ 7,649,890	\$ 7,878,176
Current surplus	247,706	222,113
Amounts to be recovered (iii)	(567,742)	(571,510)
Reserves and reserve funds (ii)	677,192	605,865
	\$ 8,007,046	\$ 8,134,644

i) The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

ii) Reserve funds represent funds set aside by bylaw or council resolution for specific purposes.

Fire department	\$ 184,578	\$ 175,762
Working funds	11,134	11,134
Capital expenses	10,685	10,685
Broadband	30,000	30,000
One time efficiency	57,286	65,086
Road equipment	57,676	47,676
Property clean up	15,000	12,500
Parks equipment	2,038	2,038
Levies	60,000	60,000
Aggregate pits	19,600	19,600
Recreational prizes	1,029	1,029
Building department	30,503	17,367
Emergency planning	1,899	1,899
Election expenses	2,500	2,500
OPZB Review	12,500	-
Landfill closure	119,264	108,589
Integrity Commissioner	1,500	-
Future road needs	60,000	40,000
Total reserve funds	\$ 677,192	\$ 605,865

The Corporation of the Township of Chisholm Notes to Financial Statements

December 31, 2022

12. Accumulated Surplus (continued)

iii) Represents amounts to be recovered from future taxation revenues.

Landfill closure and post-closure costs to be recovered in future years	\$ 219,308	\$ 223,665
Capital outlay financed by long-term liabilities to be recovered in future years.	337,619	333,101
Post employment benefits liability to be recovered in future years	<u>10,815</u>	<u>14,744</u>
	<u>\$ 567,742</u>	<u>\$ 571,510</u>

13. Taxation

	2022	2021
Taxation raised for municipal purposes	\$ 1,739,604	\$ 1,713,039
Payments in lieu of taxation	<u>548</u>	<u>548</u>
	<u>\$ 1,740,152</u>	<u>\$ 1,713,587</u>

Taxes of \$228,047 (2021 - \$223,308), net of adjustments, raised on behalf of and submitted to the school boards, have not been included in the above totals.

The Corporation of the Township of Chisholm Notes to Financial Statements

December 31, 2022

14. Budget

The Budget By-law adopted by Council on June 14, 2022 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenses in excess of current year revenues to \$Nil. In addition, the budget expensed all tangible capital expenses rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan adopted by Council on June 14, 2022 with adjustments as follows:

	2022
Budget By-law surplus for the year	\$ -
Add:	
Transfers to reserve funds	41,000
Less:	
Transfers from reserve funds	76,635
Budget (deficit) surplus per statement of operations	\$ (35,635)

15. Expenses by Object

	2022	2021
Salaries and benefits	\$ 695,508	\$ 661,856
Materials	759,972	706,105
Contracted services	711,446	797,986
Interest	11,473	11,544
External transfers	14,049	13,802
Amortization	616,068	616,823
	\$ 2,808,516	\$ 2,808,116

16. Trust Fund

The trust fund administered by the Township amounting to \$42,818 (2021 - \$43,368) related to the Cemetery has not been included in the Statement of Financial Position nor have its operations been included on the Statement of Operations.

The Corporation of the Township of Chisholm

Notes to Financial Statements

December 31, 2022

17. Segment Disclosures

The Township is a diversified municipal government institution that provides a wide range of services to its citizens such as police and fire. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Council

This relates to the revenues and expenses that are directly attributable to municipal Council functions.

General Government

This relates to the revenues and expenses of the Township itself and cannot be directly attributed to specific segments.

Protection to Persons

Protection is comprised of police services, animal control and livestock evaluators. The police services work to ensure the safety and protection of the citizens and their property.

Fire Department

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.

Building Department

This department provides a number of services including maintenance and enforcement of building and construction codes.

The Corporation of the Township of Chisholm

Notes to Financial Statements

December 31, 2022

17. Segment Disclosures (continued)

Transportation Services

Transportation is responsible for maintaining the Township's roadway systems.

Environmental Services

Environmental services consists of providing recycling and waste disposal to citizens.

Health, Social and Family Services

Health services are comprised of public health services which works to improve the overall health of the population and overcome health inequalities by providing services to individuals and communities. Social and family services provides services that are meant to help the less fortunate in society. Social housing is provided to help shelter families and elderly in need. Child care funding is provided to subsidize day cares and to provide early learning programs. The ambulance service transports the injured to the hospital and provides emergency medical care to those in distress.

Recreation and Culture

Recreation and culture represents cultural activity support within the Township. This includes maintenance and upkeep of parks, running recreation programs, and providing library services.

Planning and Development

This department provides a number of services including municipal planning and review of all property development plans through its application process.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter segment transfers are measured on the basis of the percentage of budgeted expenses.

The Corporation of the Township of Chisholm
Notes to Financial Statements

December 31, 2022

17. Segment Disclosures (continued)

	Council	General Government	Protection to Persons	Fire Department	Building Department	Transportation Services	Environmental Services	Health, Social & Family Services	Recreation & Culture	Planning & Development	Unallocated Amounts	2022 Total
Revenues												
Government transfers and grants	\$ -	\$ -	\$ 207	\$ -	\$ -	\$ 236,980	\$ -	\$ -	\$ -	\$ 2,027	\$ 515,800	\$ 755,014
Taxation	-	-	-	-	-	-	-	-	-	-	1,740,152	1,740,152
Other	-	3,040	6,753	429	-	30,106	23,528	1,584	-	-	62,780	128,220
User fees	-	3,300	-	-	34,162	-	4,044	-	-	16,026	-	57,532
	-	6,340	6,960	429	34,162	267,086	27,572	1,584	-	18,053	2,318,732	2,680,918
Expenses												
Salaries and benefits	25,690	269,461	6,130	32,839	-	343,760	17,627	-	-	-	-	695,508
Materials	10,705	122,667	4,980	67,598	-	453,481	66,588	705	17,198	16,050	-	759,972
Contracted services	-	51,677	173,496	-	22,248	6,284	37,667	379,861	30,669	9,544	-	711,446
Interest	-	-	-	-	-	11,473	-	-	-	-	-	11,473
External transfers	-	1,638	12,411	-	-	-	-	-	-	-	-	14,049
Amortization	-	20,089	-	8,539	-	576,999	-	-	10,441	-	-	616,068
	36,395	465,532	197,017	108,976	22,248	1,391,997	121,882	380,566	58,308	25,594	-	2,808,516
Annual (deficit) surplus	\$ (36,395)	\$ (459,192)	\$ (190,057)	\$ (108,547)	\$ 11,914	\$ (1,124,911)	\$ (94,310)	\$ (378,982)	\$ (58,308)	\$ (7,541)	\$ 2,318,732	\$ (127,598)

The Corporation of the Township of Chisholm
Notes to Financial Statements

December 31, 2022

17. Segment Disclosures (continued)

	Council	General Government	Protection to Persons	Fire Department	Building Department	Transportation Services	Environmental Services	Health, Social & Family Services	Recreation & Culture	Planning & Development	Unallocated Amounts	2021 Total
Revenues												
Government transfers and grants	\$ -	\$ -	\$ 594	\$ -	\$ -	\$ 2,079,185	\$ -	\$ -	\$ -	\$ 5,725	\$ 517,100	\$ 2,602,604
Taxation	-	-	-	-	-	-	-	-	-	-	1,713,587	1,713,587
Other	-	-	1,347	-	-	19,247	21,586	599	-	-	77,144	119,923
User fees	-	2,580	-	-	31,675	-	9,942	-	-	20,440	-	64,637
	-	2,580	1,941	-	31,675	2,098,432	31,528	599	-	26,165	2,307,831	4,500,751
Expenses												
Salaries and benefits	16,864	254,434	4,944	33,186	-	336,287	16,141	-	-	-	-	661,856
Materials	1,394	109,892	2,692	58,745	-	392,171	84,915	11,830	8,443	36,023	-	706,105
Contracted services	-	115,545	186,224	-	15,116	34,480	41,157	367,568	30,024	7,872	-	797,986
Interest	-	-	-	-	-	11,544	-	-	-	-	-	11,544
External transfers	-	1,678	12,124	-	-	-	-	-	-	-	-	13,802
Amortization	-	15,164	-	8,539	-	582,679	-	-	10,441	-	-	616,823
	18,258	496,713	205,984	100,470	15,116	1,357,161	142,213	379,398	48,908	43,895	-	2,808,116
Annual (deficit) surplus	\$ (18,258)	\$ (494,133)	\$ (204,043)	\$ (100,470)	\$ 16,559	\$ 741,271	\$ (110,685)	\$ (378,799)	\$ (48,908)	\$ (17,730)	\$ 2,307,831	\$ 1,692,635