

TOWNSHIP OF TUDOR & CASHEL

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

TOWNSHIP OF TUDOR & CASHEL
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DECEMBER 31, 2022

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TOWNSHIP OF TUDOR AND CASHEL

TOWNSHIP OF TUDOR & CASHEL

For The Year Ended December 31, 2022

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Township of Tudor & Cashel are the responsibility of management and have been approved by Council.


The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

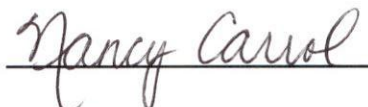
The Township maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Township's assets are appropriately accounted for and adequately safeguarded.

The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Township of Tudor & Cashel. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

The consolidated financial statements have been audited by Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Baker Tilly KDN LLP has full and free access to Council.





Mayor

Clerk-Treasurer

May 2, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Township of Tudor & Cashel

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2022, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 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 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 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 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 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 Township 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 consolidated financial information of the entities or business activities within the Township 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 2, 2023



TOWNSHIP OF TUDOR & CASHEL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash	388,155	1,174,330
Accounts receivable	689,706	438,144
Taxes receivable	217,610	160,271
Investments (note 3)	2,892,846	1,511,315
TOTAL FINANCIAL ASSETS	4,188,317	3,284,060
LIABILITIES		
Accounts payable and accrued liabilities	347,172	220,353
Deferred revenue - obligatory reserve funds (note 5)	87,759	47,716
Deferred revenue - other (note 6)	214,196	204,042
Long term debt (note 7)	326,579	426,606
Landfill closure and post-closure liability (note 8)	298,000	355,700
TOTAL LIABILITIES	1,273,706	1,254,417
NET FINANCIAL ASSETS	2,914,611	2,029,643
NON-FINANCIAL ASSETS		
Tangible capital assets (note 11)	5,679,688	6,091,032
Prepaid expenses	7,443	26,933
TOTAL NON-FINANCIAL ASSETS	5,687,131	6,117,965
ACCUMULATED SURPLUS (note 12)	8,601,742	8,147,608

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF TUDOR & CASHEL

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Property taxation	1,361,506	1,433,320	1,335,493
User charges	87,880	83,816	90,214
Government of Canada	25,386	58,518	962,326
Province of Ontario	677,705	1,111,122	1,150,501
Other municipalities	6,000	6,575	5,281
Penalties and interest on taxes	20,000	35,970	34,770
Investment income	20,000	76,237	15,763
Other	82,200	52,828	52,548
Canada Community-Building Fund earned	118,585	-	165,544
Gain/(loss) on disposal of tangible capital assets	-	212,162	-
TOTAL REVENUES	2,399,262	3,070,548	3,812,440
EXPENSES			
General government	412,242	399,347	417,686
Protection services	459,618	798,458	473,611
Transportation services	1,203,365	1,289,935	1,082,699
Environmental services	157,276	128,406	140,143
Health services	13,980	24,523	15,138
Recreation and cultural services	35,116	33,445	33,370
Change in closure and post-closure landfill liability	-	(57,700)	86,823
TOTAL EXPENSES	2,281,597	2,616,414	2,249,470
ANNUAL SURPLUS	<u>117,665</u>	454,134	1,562,970
ACCUMULATED SURPLUS - beginning of year		8,147,608	6,584,638
ACCUMULATED SURPLUS - end of year		8,601,742	8,147,608

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF TUDOR & CASHEL

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS	117,665	454,134	1,562,970
Amortization of tangible capital assets	347,285	481,832	347,285
Purchase of tangible capital assets	(200,200)	(177,239)	(1,761,637)
Gain on disposal of tangible capital assets	-	(212,162)	-
Insurance proceeds	-	318,913	-
Change in prepaid expenses	-	19,490	(6,228)
INCREASE IN NET FINANCIAL ASSETS	264,750	884,968	142,390
NET FINANCIAL ASSETS - beginning of year	2,029,643	2,029,643	1,887,253
NET FINANCIAL ASSETS - end of year	2,294,393	2,914,611	2,029,643

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF TUDOR & CASHEL

CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	454,134	1,562,970
Items not involving cash		
Amortization of tangible capital assets	481,832	347,285
Gain on disposal of tangible capital assets	(212,162)	-
Change in landfill closure and post-closure liability	(57,700)	86,823
Change in non-cash assets and liabilities		
Accounts receivable	(251,562)	166,535
Taxes receivable	(57,339)	27,743
Prepaid expenses	19,490	(6,228)
Accounts payable and accrued liabilities	126,819	(60,589)
Deferred revenue - obligatory reserve funds	40,043	(93,097)
Deferred revenue - other	10,154	(14,809)
Net change in cash from operating activities	553,709	2,016,633
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(177,239)	(1,761,637)
Insurance proceeds	318,913	-
Net change in cash from capital activities	141,674	(1,761,637)
INVESTING ACTIVITIES		
Purchase of investments	(4,350,000)	(1,511,315)
Proceeds on disposal of investments	2,968,469	-
Net change in cash from investing activities	(1,381,531)	(1,511,315)
FINANCING ACTIVITIES		
Debt principal repayments	(100,027)	(117,986)
NET CHANGE IN CASH	(786,175)	(1,374,305)
CASH - beginning of year	1,174,330	2,548,635
CASH - end of year	388,155	1,174,330

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF TUDOR & CASHEL

TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

The Township of Tudor & Cashel is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned and controlled by the Township. These consolidated financial statements include:

- Tudor and Cashel Public Library Board
- Tudor and Cashel Cemetery Board

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using then historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	30 years
Buildings	50 years
Roads and bridges	5 to 50 years
Machinery and equipment	5 to 50 years
Vehicles	10 to 12 years

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

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

(c) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Township because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

TOWNSHIP OF TUDOR & CASHEL

TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(e) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Taxation

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

Government Funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Ultimate reimbursement of these amounts is based upon acceptance by the various funders.

Other revenue

User charges are recognized as revenue in the year the goods and services are provided, with the exception of building permits that are recognized when the permits are issued.

Investment income is recorded when earned.

Canada Community-Building funding is recognized in the period in which the related expenditures are recorded.

(f) Deferred Revenue

Deferred revenue represents restricted grants, Canada Community-Building Fund, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

TOWNSHIP OF TUDOR & CASHEL

TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Township's significant estimates include:

- The amounts recorded for landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs; and
- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values.

2. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$400,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2022-02. At December 31, 2022 there was no balance outstanding (2021 - \$Nil).

3. INVESTMENTS

Investments, recorded at cost, consist of the following:

	Market Value \$	Actual 2022 \$	Actual 2021 \$
ONE funds - bond portfolio	373,085	411,201	403,628
ONE funds - equity portfolio	97,329	109,914	106,197
High-interest savings accounts	371,731	371,731	1,001,490
Guaranteed investment certificate maturing on August 8, 2023 with an interest rate of 3.89%	2,000,000	2,000,000	-
	2,842,145	2,892,846	1,511,315

TOWNSHIP OF TUDOR & CASHEL

TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

4. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2022, requisitions were made by the County of Hastings and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts requisitioned and remitted are as follows:

	School Boards \$	County \$
Amounts requisitioned and remitted	281,541	554,009

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balance in the obligatory reserve funds of the Township is summarized below:

	2022 \$	2021 \$
Canada Community-Building Fund	87,759	47,716

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2022 \$	2021 \$
Balance - beginning of year	47,716	140,813
Add amounts received:		
County of Hastings allocation received	17,777	35,643
Canada Community-Building Funding received	18,585	36,451
Interest	3,681	353
	40,043	72,447
Less transfer to operations:		
Canada Community-Building Funding earned	-	165,544
Balance - end of year	87,759	47,716

TOWNSHIP OF TUDOR & CASHEL

TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

6. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2022	2021
	\$	\$
OCIF Formula-Based funding	171,217	150,351
New Horizons Seniors	-	7,131
Enabling Accessibility	-	19,305
Ontario Trillium Fund	27,723	-
Safe Restart	-	11,999
Cannabis funding	15,256	15,256
	214,196	204,042

The continuity of deferred revenue - other is as follows:

	2022	2021
	\$	\$
Balance - beginning of year	204,042	218,851
Add amounts received:		
OCIF Formula-Based funding	100,000	50,023
Ontario Trillium Funding	66,400	-
Interest	3,849	-
Safe Restart	-	25,000
Cannabis funding	-	5,000
	170,249	80,023
Less transfer to operations:		
New Horizons Seniors	7,131	-
OCIF Formula-Based funding	82,983	-
Safe Restart	11,999	20,509
Ontario Trillium Fund	38,677	-
Enabling Accessibility	19,305	69,579
Cannabis funding	-	4,744
	160,095	94,832
Balance - end of year	214,196	204,042

TOWNSHIP OF TUDOR & CASHEL

TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

7. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2022 \$	2021 \$
Ontario Infrastructure and Lands Corporation loan repayable in blended monthly installments of \$3,970 with interest at 1.91%, due July 2022	-	27,596
Ontario Infrastructure and Lands Corporation loan repayable in blended monthly installments of \$2,027 with interest at 2.83%, due June 2030	164,165	183,560
Ontario Infrastructure and Lands Corporation loan repayable in blended monthly installments of \$4,582 with interest at 1.01%, due December 2025	162,414	215,450
	326,579	426,606

- (b) The long term debt in (a) issued in the name of the Township have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

- (c) Interest paid during the year on long term debt amounted to \$7,069 (2021 - \$8,943).

- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2023	73,525	5,782	79,307
2024	74,641	4,667	79,308
2025	75,778	3,529	79,307
2026	21,697	2,625	24,322
2027	22,319	2,003	24,322
2028 and subsequent years	58,619	2,168	60,787
	326,579	20,774	347,353

TOWNSHIP OF TUDOR & CASHEL

TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

8. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The estimated liability for landfill closure and post-closure costs for the two sites the Township operates is \$298,000 (2021 - \$355,700). The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The landfill closure and post-closure liability will be funded from reserves and taxation. There are no specific assets designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining life of the landfill sites, using a discount factor of 4.5% and an inflation rate of 3%. The remaining capacity of the solid waste landfill sites is estimated at 5,204 m3 (2021 - 5,778 m3) which is 23.5% (2021 - 29.9%) of the sites' total capacity. The total discounted future cash flows for closure and post-closure cost is estimated at \$387,664 (2021 - \$479,893) as at December 31, 2022. The landfill sites are expected to reach their capacity in 9 and 14 years.

9. BUDGET FIGURES

The budget, approved by the Township, for 2022 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

The following is a reconciliation of the Council approved budget amounts to the PSA amounts:

	(Unaudited) Revenue \$	(Unaudited) Expenses \$
Council approved budget:		
Operating and capital - Township	2,397,527	2,397,527
Library budget	7,735	7,735
Total Council approved budget	2,405,262	2,405,262
Less: Tangible capital assets capitalized	-	(200,200)
Add: Amortization of tangible capital assets	-	347,285
Less: Principal repayment of long term debt	-	(96,000)
Less: Transfers to/from reserves and reserve funds	(6,000)	(174,750)
Adjusted budget per Consolidated Statement of Operations	2,399,262	2,281,597

TOWNSHIP OF TUDOR & CASHEL

TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

10. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
Salaries and benefits	642,452	617,263	625,224
Interest charges	7,500	7,069	8,943
Materials	708,360	720,232	630,001
Contracted services	542,000	820,723	523,551
Rents and financial	2,000	1,595	1,874
External transfers	32,000	25,400	25,769
Amortization	347,285	481,832	347,285
Change in landfill closure and post-closure liability	-	(57,700)	86,823
	2,281,597	2,616,414	2,249,470

TOWNSHIP OF TUDOR & CASHEL

TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

11. TANGIBLE CAPITAL ASSETS

The net book value of the Township's tangible capital assets are:

	2022	2021
	\$	\$
General		
Land	208,000	208,000
Land improvements	50,915	29,523
Buildings	437,696	395,923
Machinery and equipment	418,103	457,267
Vehicles	413,983	490,242
Infrastructure		
Roads and bridges	4,146,471	2,486,156
	5,675,168	4,067,111
Assets under construction	4,520	2,023,921
	5,679,688	6,091,032

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2021 - \$Nil) and no interest capitalized (2021 - \$Nil).

The allocation of tangible capital assets by segment is as follows:

	2022	2021
	\$	\$
General government	432,277	395,672
Protection services	100,534	105,052
Transportation services	5,117,810	5,558,515
Environmental services	27,452	29,777
Health services	1,367	1,367
Recreation and cultural services	248	649
	5,679,688	6,091,032

TOWNSHIP OF TUDOR & CASHEL

TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

12. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Surplus/(Deficit)		
Township operations	204,707	21,307
Library Board	1,757	2,881
Cemetery Board	5,710	12,237
Unfunded landfill closure and post-closure costs	(298,000)	(355,700)
	(85,826)	(319,275)
Invested In Capital Assets		
Tangible capital assets - net book value	5,679,688	6,091,032
Long term debt	(326,579)	(426,606)
	5,353,109	5,664,426
Surplus	5,267,283	5,345,151
Reserves		
Working funds	590,848	590,847
General	315,474	313,474
Future capital	1,828,119	1,343,119
Roads	175,000	150,000
Fire	198,000	188,000
Library	425	424
Landfill closure and post-closure	226,000	216,000
Total Reserves	3,333,866	2,801,864
Reserve Funds		
Recreation	593	593
	8,601,742	8,147,608

13. CONTINGENT LIABILITIES

The Township, in the course of its operations, is often named in lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

TOWNSHIP OF TUDOR & CASHEL

TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

14. SEGMENTED INFORMATION

The Township of Tudor & Cashel is a municipal government organization that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segmented information.

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

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

General Government

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

Protection Services

Protection services include police, fire, conservation authority and protective inspection and control.

Transportation Services

The activities of the transportation function include construction and maintenance of the Township's roads and bridges and winter control.

Environmental Services

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

Health Services

The health services function consists of the operations of the cemetery and external transfers to the local medical centre.

Recreation and Cultural Services

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

Planning and Development

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

TOWNSHIP OF TUDOR & CASHEL

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2022

	General					Infrastructure		Totals \$
	Land \$	Land Improvements \$	Buildings \$	Machinery and Equipment \$	Vehicles \$	Roads and Bridges \$	Assets Under Construction \$	
COST								
Balance, beginning of year	208,000	52,094	732,477	856,965	789,877	6,557,543	2,023,921	11,220,877
Add: additions during the year	-	24,346	61,211	-	91,682	-	-	177,239
Less: disposals during the year	-	-	-	12,528	194,092	-	-	206,620
Internal transfers	-	-	-	-	-	2,019,401	(2,019,401)	-
Balance, end of year	208,000	76,440	793,688	844,437	687,467	8,576,944	4,520	11,191,496
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	22,571	336,554	399,698	299,635	4,071,387	-	5,129,845
Add: additions during the year	-	2,954	19,438	39,164	61,190	359,086	-	481,832
Less: disposals during the year	-	-	-	12,528	87,341	-	-	99,869
Balance, end of year	-	25,525	355,992	426,334	273,484	4,430,473	-	5,511,808
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	208,000	50,915	437,696	418,103	413,983	4,146,471	4,520	5,679,688

TOWNSHIP OF TUDOR & CASHEL

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2022

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	(168,736)	393,200	1,064,605	110,450	13,980	19,821	-	1,433,320
User charges	1,750	57,275	-	13,973	4,426	5,192	1,200	83,816
Government transfers - operating	603,400	379,658	-	36,100	-	10,436	-	1,029,594
Government transfers - capital	19,305	-	120,741	-	-	-	-	140,046
Other municipalities	-	-	6,575	-	-	-	-	6,575
Penalties and interest on taxes	35,970	-	-	-	-	-	-	35,970
Investment income	76,232	-	-	-	5	-	-	76,237
Other	51,278	-	1,550	-	-	-	-	52,828
Gain/(loss) on disposal of tangible capital assets	-	-	212,162	-	-	-	-	212,162
Total revenues	619,199	830,133	1,405,633	160,523	18,411	35,449	1,200	3,070,548
Expenses								
Salaries and benefits	258,677	5,043	289,551	54,593	-	9,399	-	617,263
Interest charges	-	-	7,069	-	-	-	-	7,069
Materials	105,843	32,792	498,483	35,660	23,809	23,645	-	720,232
Contracted services	19,697	732,007	33,192	35,827	-	-	-	820,723
Rents and financial	1,595	-	-	-	-	-	-	1,595
External transfers	588	24,098	-	-	714	-	-	25,400
Amortization	12,947	4,518	461,640	2,326	-	401	-	481,832
Change in landfill closure and post- closure liability	-	-	-	(57,700)	-	-	-	(57,700)
Total expenses	399,347	798,458	1,289,935	70,706	24,523	33,445	-	2,616,414
Net surplus/(deficit)	219,852	31,675	115,698	89,817	(6,112)	2,004	1,200	454,134

TOWNSHIP OF TUDOR & CASHEL

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2021

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	20,934	417,400	718,609	136,550	15,980	26,020	-	1,335,493
User charges	4,430	56,461	-	17,509	4,247	5,567	2,000	90,214
Government transfers - operating	608,144	20,509	-	21,377	-	4,830	-	654,860
Government transfers - capital	69,579	-	1,388,388	-	-	-	-	1,457,967
Other municipalities	-	-	5,281	-	-	-	-	5,281
Penalties and interest on taxes	34,770	-	-	-	-	-	-	34,770
Investment income	15,757	-	-	-	6	-	-	15,763
Other	8,135	-	44,413	-	-	-	-	52,548
Canada Community Building Fund earned	-	-	165,544	-	-	-	-	165,544
Total revenues	761,749	494,370	2,322,235	175,436	20,233	36,417	2,000	3,812,440
Expenses								
Salaries and benefits	254,167	-	290,200	70,614	-	10,243	-	625,224
Interest charges	-	-	8,943	-	-	-	-	8,943
Materials	110,278	34,269	411,392	39,107	14,258	20,697	-	630,001
Contracted services	40,020	412,196	43,239	28,096	-	-	-	523,551
Rents and financial	1,874	-	-	-	-	-	-	1,874
External transfers	761	22,628	-	-	880	1,500	-	25,769
Amortization	10,586	4,518	328,925	2,326	-	930	-	347,285
Change in landfill closure and post- closure liability	-	-	-	86,823	-	-	-	86,823
Total expenses	417,686	473,611	1,082,699	226,966	15,138	33,370	-	2,249,470
Net surplus/(deficit)	344,063	20,759	1,239,536	(51,530)	5,095	3,047	2,000	1,562,970

TOWNSHIP OF TUDOR & CASHEL

TUDOR AND CASHEL PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2022

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of the Tudor and Cashel Public Library Board, the Members of Council, Inhabitants and Ratepayers of the Township of Tudor & Cashel

We have reviewed the accompanying financial statements of the Tudor and Cashel Public Library Board of the Township of Tudor & Cashel (the Board), that comprise the statement of financial position as at December 31, 2022 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many Public Library Boards, the Board derives revenue from user charges and other sources, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purposes of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to user charges and other sources revenue, annual deficit, assets and accumulated surplus.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Board as at December 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 2, 2023

TOWNSHIP OF TUDOR & CASHEL

TUDOR AND CASHEL PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash	2,857	3,634
Accounts receivable	-	1,019
TOTAL FINANCIAL ASSETS	2,857	4,653
LIABILITIES		
Due to Township	675	675
Accounts payable	-	672
TOTAL LIABILITIES	675	1,347
NET FINANCIAL ASSETS	2,182	3,306
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	249	650
ACCUMULATED SURPLUS (note 3)	2,431	3,956

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF TUDOR & CASHEL

TUDOR AND CASHEL PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2022

	Budget 2022 \$ (Note 4)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Municipal contribution	3,500	3,608	3,500
Province of Ontario	3,305	3,305	4,500
User charges and other	-	158	301
TOTAL REVENUES	6,805	7,071	8,301
EXPENSES			
Salaries and benefits	6,552	6,889	7,018
Supplies	253	1,306	1,500
Amortization	930	401	930
TOTAL EXPENSES	7,735	8,596	9,448
ANNUAL DEFICIT	<u>(930)</u>	(1,525)	(1,147)
ACCUMULATED SURPLUS - beginning of year		3,956	5,103
ACCUMULATED SURPLUS - end of year		2,431	3,956

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF TUDOR & CASHEL

TUDOR AND CASHEL PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2022

	Budget 2022 \$ (Note 4)	Actual 2022 \$	Actual 2021 \$
ANNUAL DEFICIT	(930)	(1,525)	(1,147)
Amortization of tangible capital assets	930	401	930
DECREASE IN NET FINANCIAL ASSETS	-	(1,124)	(217)
NET FINANCIAL ASSETS - beginning of year	3,306	3,306	3,523
NET FINANCIAL ASSETS - end of year	3,306	2,182	3,306

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF TUDOR & CASHEL

TUDOR AND CASHEL PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(1,525)	(1,147)
Items not involving cash		
Amortization of tangible capital assets	401	930
Change in non-cash assets and liabilities		
Accounts receivable	1,019	(251)
Accounts payable	(672)	385
NET CHANGE IN CASH	(777)	(83)
CASH - beginning of year	3,634	3,717
CASH - end of year	2,857	3,634

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF TUDOR & CASHEL

TUDOR AND CASHEL PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Books	7 years
Furniture and equipment	7 to 15 years

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

(d) Deferred Revenue

Deferred revenue represents restricted grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(e) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

TOWNSHIP OF TUDOR & CASHEL

TUDOR AND CASHEL PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Reserves and Reserve Funds

Certain amounts, as approved by the Board, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(g) Inter-Entity Transactions

The Tudor and Cashel Public Library Board is a Board of the Township of Tudor & Cashel and is consolidated with the Township's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Township.

2. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

	Books \$	Furniture and Equipment \$	2022 Totals \$	2021 Totals \$
COST				
Balance, beginning of year	3,489	59,161	62,650	63,882
Less: disposals during the year	1,016	-	1,016	1,232
Balance, end of year	2,473	59,161	61,634	62,650
ACCUMULATED AMORTIZATION				
Balance, beginning of year	2,839	59,161	62,000	62,302
Add: additions during the year	401	-	401	930
Less: disposals during the year	1,016	-	1,016	1,232
Balance, end of year	2,224	59,161	61,385	62,000
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	249	-	249	650

TOWNSHIP OF TUDOR & CASHEL

TUDOR AND CASHEL PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Surplus		
Operations	1,757	2,881
Invested In Capital Assets		
Tangible capital assets - net book value	249	650
Surplus	2,006	3,531
Reserve		
Future capital	425	425
	2,431	3,956

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2022 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to review.

5. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Tudor & Cashel.

As part of the budgeting process, the Township approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus.

In addition, the Township provides the following expenses to the Board at no cost.

- Accounting and administrative services
- Use of buildings
- Buildings and grounds maintenance
- Other occupancy costs

All balances with the Township of Tudor & Cashel have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.