

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

	Contents
Management's Responsibility for Financial Reporting	2
Independent Auditor's Report	3
Consolidated Financial Statements	
Statement of Financial Position	5
Statement of Operations	6
Statement of Change in Net Financial Assets (Debt)	7
Statement of Cash Flows	8
Notes to Financial Statements	9
Schedule 1 - Tangible Capital Assets	17
Schedule 2 - Segment Disclosure	19
<i>Trust Funds</i>	
Independent Auditor's Report	22
Financial Statements	
Statements of Financial Position and Continuity and Summary of Significant Accounting Policies	24

The Corporation of the Township of Dubreuilville Management's Responsibility for Financial Reporting

December 31, 2022

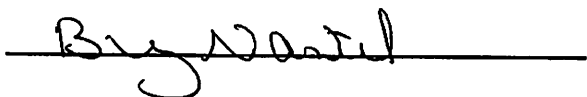
The accompanying consolidated financial statements of the The Corporation of the Township of Dubreuilville are the responsibility of management and have been approved by the Mayor and Chief Administrator Officer on behalf of Council.


The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated 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 consolidated financial statements are presented fairly, in all material respects.

The municipality 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 municipality's assets are appropriately accounted for and adequately safeguarded.

The municipal Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the ratepayers and inhabitants of the municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the municipality's consolidated financial statements.

 _____ Mayor

 _____ Chief Administrative Officer



Independent Auditor's Report

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

Opinion

We have audited the financial statements of The Corporation of the Township of Dubreuilville (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2022 and the consolidated statements of operations, change in net financial assets (debt) 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 Municipality as at December 31, 2022, and its consolidated results of its operations, change in its 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 Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's 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.

Independent Auditor's Report (continued)

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.

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



Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
August 9, 2023

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

December 31	2022	2021
Financial assets		
Cash	\$ 1,730,733	\$ 1,962,984
Taxes receivable (Note 3)	216,427	64,542
Accounts receivable	1,149,338	256,069
Inventories held for resale	483	1,365
	<u>3,096,981</u>	<u>2,284,960</u>
Liabilities		
Bank loans (Note 4)	12,026	29,475
Accounts payable and accrued liabilities	457,811	242,852
Deferred revenue	117,357	89,508
Accrued landfill closure and post-closure costs (Note 5)	875,324	506,935
Long term debt (Note 6)	2,600,618	2,675,818
	<u>4,063,136</u>	<u>3,544,588</u>
Net financial debt	<u>(966,155)</u>	<u>(1,259,628)</u>
Non-financial assets		
Tangible capital assets (Schedule 1)	7,926,042	7,737,753
Prepaid expenses and inventory of supplies	67,508	64,401
	<u>7,993,550</u>	<u>7,802,154</u>
Accumulated surplus (Note 7)	<u>\$ 7,027,395</u>	<u>\$ 6,542,526</u>

On behalf of the Council:

Bryant Mayor

Shelley B. Casey Chief Administrative Officer

The Corporation of the Township of Dubreuilville

Consolidated Statement of Operations

For the year ended December 31	Budget	2022	2021
Revenue			
Taxation (Note 2)	\$ 1,230,807	\$ 1,233,150	\$ 1,024,647
Government grants - Provincial	486,037	779,849	610,555
Government grants - Federal	79,700	77,106	168,779
User fees and service charges	1,808,828	2,283,343	1,465,115
Licences, permits and rents	17,878	17,828	17,008
Interest and penalties on taxes	12,000	10,268	14,277
Other, gains and losses	30,000	41,556	(164,380)
	<u>3,665,250</u>	<u>4,443,100</u>	<u>3,136,001</u>
Expenses			
General government	1,315,176	1,067,905	829,253
Protection services	317,065	312,007	273,852
Transportation services	447,482	395,730	408,075
Environmental services	1,190,684	1,285,470	773,308
Health services	81,407	93,150	83,274
Social and family services	54,879	66,608	55,025
Recreation and cultural services	496,656	505,299	402,829
Planning and development	266,024	232,062	183,507
	<u>4,169,373</u>	<u>3,958,231</u>	<u>3,009,123</u>
Annual surplus (deficit)	(504,123)	484,869	126,878
Accumulated surplus, beginning of year	<u>6,542,526</u>	<u>6,542,526</u>	<u>6,415,648</u>
Accumulated surplus, end of year	<u>\$ 6,038,403</u>	<u>\$ 7,027,395</u>	<u>\$ 6,542,526</u>

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

The Corporation of the Township of Dubreuilville
Consolidated Statement of Change in Net Financial Assets (Debt)

For the year ended December 31	Budget	2022	2021
Annual surplus	\$ (504,123)	\$ 484,869	\$ 126,878
Acquisition of tangible capital assets	(482,984)	(674,815)	(295,821)
Amortization of tangible capital assets	486,525	486,526	477,233
Loss on disposal of tangible capital assets	-	-	164,381
Prepaid expenses and inventory of supplies	-	(3,107)	(3,154)
Net change in net debt	(500,582)	293,473	469,517
Net debt, beginning of year	(1,259,628)	(1,259,628)	(1,729,145)
Net debt, end of year	\$ (1,760,210)	\$ (966,155)	\$ (1,259,628)

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

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

For the year ended December 31	2022	2021
Operating transactions		
Annual surplus	\$ 484,869	\$ 126,878
Items not involving cash		
Amortization	486,526	477,233
Loss on disposal of tangible capital assets	-	164,381
Unfunded landfill site costs	368,389	19,626
	<u>1,339,784</u>	<u>788,118</u>
Changes in non-cash operating balances		
Taxes receivable	(151,885)	(12,044)
Accounts receivable	(893,269)	359,149
Inventories for resale	882	311
Prepaid expenses and inventories of supplies	(3,107)	(3,154)
Accounts payable and accrued liabilities	214,959	(499,681)
Deferred revenue	27,849	(83,896)
	<u>535,213</u>	<u>548,803</u>
Capital transactions		
Acquisition of tangible capital assets	(674,815)	(295,821)
Financing activities		
Repayment of loans	(92,649)	(239,991)
Net change in cash	<u>(232,251)</u>	<u>12,991</u>
Cash, beginning of year	<u>1,962,984</u>	<u>1,949,993</u>
Cash, end of year	<u>\$ 1,730,733</u>	<u>\$ 1,962,984</u>

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

The Corporation of the Township of Dubreuilville

Notes to Consolidated Financial Statements

December 31, 2022

1. Significant accounting policies

The consolidated financial statements of the municipality have been prepared in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Basis of Consolidation These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures of all municipal organizations, committees and boards which are owned or controlled by the municipality.

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

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:

Land improvements	10 years
Buildings	20 to 40 years
Machinery and equipment	5 to 20 years
Vehicles	10 to 25 years
Furnishings and fixtures	5 to 10 years
Road infrastructure	15 to 25 years
Water treatment and distribution infrastructure	15 to 50 years
Wastewater collection and disposal infrastructure	10 to 50 years

The municipality holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits association with such property cannot be made.

Leased Assets Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the municipality, and the obligation, including interest thereon, is retired over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

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

The Corporation of the Township of Dubreuilville

Notes to Consolidated Financial Statements

December 31, 2022

1. Significant accounting policies (continued)

Trust Funds	Funds held in trust by the municipality and their related operations are not included in these consolidated financial statements. The financial activity and financial position of the trust funds are reported separately.
Retirement Benefits and Other Employee Benefit Plans	The municipality provides pension benefit to specified employees through Ontario Municipal Employees Retirement Fund (OMERS) a multi-employer plan. Municipal contributions due during the period are expensed as incurred. The municipality provides other post-employment benefits. These costs accumulate over the period of service provided by employees and are determined using management's best estimates.
Government Transfers	Government transfers are recognized as revenue in the 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.
Revenue Recognition	<p>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 uncollectable amounts.</p> <p>Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.</p> <p>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.</p> <p>Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.</p> <p>Sales of service and other revenue is recognized on an accrual basis.</p>
Collection of Taxes on Behalf of Other Taxation Authorities	The municipality collects tax revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these other entities are not reflected in these consolidated financial statements.
Use of Estimates	The preparation of financial statements in conformity 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.

The Corporation of the Township of Dubreuilville

Notes to Consolidated Financial Statements

December 31, 2022

2. Taxation

	<u>2022</u>	<u>2021</u>
Residential and multi-residential	\$ 1,040,145	\$ 827,467
Commercial and industrial	258,152	257,292
Taxation from other governments	<u>14,452</u>	<u>11,603</u>
	1,312,749	1,096,362
Deduct: amounts received or receivable for school boards	<u>(79,599)</u>	<u>(71,715)</u>
	<u>\$ 1,233,150</u>	<u>\$ 1,024,647</u>

Property tax billings are prepared by the municipality based on an assessment roll prepared by Municipal Property Assessment Corporation ("MPAC"), an agency of the Ontario government. All assessed property values in the municipality were reviewed and values established based on a common valuation date which was used by the municipality in computing the property tax billings. However, property tax revenue and taxes receivable of the municipality are subject to measurement uncertainty as ratepayers may appeal the values assessed.

3. Taxes receivable

	<u>2022</u>	<u>2021</u>
Current year levies	\$ 211,439	\$ 65,076
Prior year levies	9,845	6,956
Interest and penalties	5,143	2,510
Less: allowance for doubtful collection	<u>(10,000)</u>	<u>(10,000)</u>
	<u>\$ 216,427</u>	<u>\$ 64,542</u>

Approximately 66% (2021 - 16%) of taxes receivable were due from one ratepayer.

4. Bank loans and credit facilities

	<u>2022</u>	<u>2021</u>
RBC Facility (4) demand loan, repayable \$1,525 monthly including interest at 3.95%, due August 2023	<u>\$ 12,026</u>	<u>\$ 29,475</u>

Interest on the above loans amounted to \$851 (2021 - \$5,425).

The municipality has available a four part credit facility with the Royal Bank of Canada.

Facility (1) - \$200,000 revolving demand loan at prime plus 0.3%, to finance operations, all of which was unused at year end;

Facility (2) - \$623,000 non-revolving loan for building renovation costs during construction, all of which was unused at year end;

Facility (3) - \$350,000 term loan to refinance building renovation costs upon completion;

Facility (4) - \$150,000 term loan to purchase road equipment.

The Corporation of the Township of Dubreuilville

Notes to Consolidated Financial Statements

December 31, 2022

5. Landfill closure and post-closure liability

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. 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 present value of the municipality'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 reflects a discount rate of 4%.

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfill. The landfill is expected to reach its capacity in one year. The estimated length of time needed for post-closure care is 20 years.

It is estimated that the total net present value of the cost to close and maintain the landfill site is \$875,324 (2021 - \$512,743), of which \$875,324 (2021 - \$506,935) has been recognized to December 31, 2022. This balance to be funded from taxation, grants and/or other revenues.

The municipality has retained an engineering firm to review options in regard to its landfill operations and is continuing a \$750,000 project to close the current site and to develop a new landfill site. Funding for this project is divided equally between the federal, provincial and municipal levels of government.

6. Long term debt

	<u>2022</u>	<u>2021</u>
Ontario Infrastructure and Lands Corporation (OILC) loan, repayable \$7,200 semi-annually including interest at 3.10%, due July 2028	\$ 72,299	\$ 84,181
Ontario Infrastructure and Lands Corporation (OILC) loan, repayable \$61,797 semi-annually including interest at 2.34%, due November 2050	<u>2,528,319</u>	<u>2,591,637</u>
	<u>\$ 2,600,618</u>	<u>\$ 2,675,818</u>

Interest on the above loans amounted to \$62,794 (2021 - 64,610).

Principal payments required on long term debt for the next five years and thereafter are approximately:

Year	Amount
2023	\$ 89,087
2024	78,969
2025	80,926
2026	82,931
2027	84,985
Thereafter	<u>2,183,720</u>
	<u>\$ 2,600,618</u>

The Corporation of the Township of Dubreuilville
Consolidated Notes to Financial Statements

December 31, 2022

7. Accumulated surplus

Allocation of annual surplus

	2022	2021
Reserves and reserve funds	\$ 666,968	\$ 357,094
Equity in tangible capital assets	280,938	(105,798)
General surplus	-	-
Unfunded landfill liabilities	(368,389)	(19,626)
Unfunded capital expenditures	(94,648)	(104,792)
	\$ 484,869	\$ 126,878

Accumulated surplus, end of year

Reserves set aside for specific purposes by Council

Working funds	\$ 765,902	\$ 432,264
Replacement of equipment	112,137	109,137
Fire department	47,249	42,602
Water and sewer operating	293,949	-
Water and sewer capital	765,498	688,628
Cemetery	1,632	1,632
Recreation	48,366	44,595
Library	4,863	4,863
Unexpended financing	31,674	53,551
Future landfill closure and post-closure costs	253,469	253,469

Sub-total reserves

2,324,739	1,630,741
------------------	------------------

Reserve funds set aside for specific purposes by Council

General	400,000	400,000
Fire department	10,497	10,497
Library	3,318	3,318
Unexpended financing	69,860	99,773
Other	17,183	14,300

Sub-total reserve funds

500,858	527,888
----------------	----------------

Total reserves and reserve funds

Equity in tangible capital assets	2,825,597	2,158,629
General surplus/deficit	5,313,395	5,032,457
Unfunded landfill liabilities	-	-
Unfunded capital expenditures	(875,324)	(506,935)
	(236,273)	(141,625)

\$ 7,027,395	\$ 6,542,526
---------------------	---------------------

The Corporation of the Township of Dubreuilville

Notes to Consolidated Financial Statements

December 31, 2022

8. Employee benefits plans liabilities

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of eligible members of its 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 municipality's contributions to OMERS equal those made by the employees. During the year, the municipality contributed \$58,210 (2021 - \$57,104) to the plan. As this is a multi-employer pension plan, these contributions are the municipality's pension benefit expense. Contribution amounts are determined by OMERS which adjusts rates to reflect actuarial requirements. Any surplus or deficit of the pension plan is not included in the municipality's financial statements.

The municipality provides continuing coverage of life insurance and health benefits for employees who are on long term disability or workers compensation. The municipality accrues the liability for these employee future benefits over the service periods in which the employees earn the benefits. The cost of these employee future benefits is determined using management's best estimate.

9. Funds held in trust

Funds held in trust by the municipality for cemetery care and maintenance amounting to \$10,783 (2021 - \$10,533) are not included in these financial statements but are reported upon separately.

10. Segmented information

The municipality is a diversified local government institution that provides a wide range of services to its citizens. For management reporting purposes, municipal operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General government

The administration department oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of council.

Protection

Protection is comprised of the police, fire/emergency, by-law enforcement and building inspections departments. The mandate of the police department is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The fire/emergency department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. The by-law enforcement and building inspection department ensures properties are in compliance with applicable legislation, by-laws, building standards and construction codes.

The Corporation of the Township of Dubreuilville

Notes to Consolidated Financial Statements

December 31, 2022

10. Segmented information (continued)

Transportation

The transportation department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, winter control and street lighting.

Environmental

The environmental department consists of three distinct utilities - water, wastewater and solid waste disposal. The department provides drinking water to ratepayers, collecting and treating wastewater, and providing garbage disposal and waste minimization programs and facilities for solid waste disposal.

Health

Through the Algoma Health Unit, the municipality contributes to public health services and education and through the Algoma District Services Administration Board, to ambulance services. In addition, this department oversees the care and maintenance of municipal cemeteries.

Social and family

Through the Algoma District Services Administration Board, the municipality contributes to social assistance payments, child care services and social housing.

Recreation and cultural

The recreation and cultural department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as parks, arena, fitness and sports programs. It provides public services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement. The department also contributes towards the information needs of the municipality's citizens through the provision of library services.

Planning

The planning department provides a diverse bundle of services. It manages development for business interests, environmental concerns, heritage matters and neighbourhoods through planning and community development activities. It facilitates economic development by providing services for the approval of all land development plans.

For each reported segment, revenues and expenses include both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see Schedule 2 - Consolidated Schedule of Segment Disclosure.

The Corporation of the Township of Dubreuilville

Notes to Consolidated Financial Statements

December 31, 2022

11. Budget

The Financial Plan (Budget) By-Law adopted by Council on May 26, 2021 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated use of reserves and/or surpluses accumulated in previous years to increase current year revenues in excess of expenditures. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net debt include the following adjustments:

<i>Financial Plan (Budget) Bylaw surplus for the year</i>	\$ -
<i>Add:</i>	
Acquisition of tangible capital assets	482,984
Principal payments on bank loan	92,648
Net transfers for unfunded liabilities and capital expenditures	9,209
<i>Less:</i>	
Net inter-fund transfers from reserves	(234,050)
Amortization	(486,525)
Unfunded landfill liabilities	<u>(368,389)</u>
<i>Budget surplus (deficit) per statement of operations</i>	<u>\$ (504,123)</u>

The Corporation of the Township of Dubreuilville
Schedule 1 - Consolidated Tangible Capital Assets

For the year ended December 31, 2022

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infrastructure	Construction in Progress	Total
Cost, beginning of year	\$ 87,069	\$ 913,669	\$ 8,520,797	\$ 1,805,268	\$ 751,362	\$ 164,177	\$ 14,663,761	\$ 35,000	\$ 26,941,103
Additions	-	-	-	324,818	-	-	44,591	305,406	674,815
Cost, end of year	87,069	913,669	8,520,797	2,130,086	751,362	164,177	14,708,352	340,406	27,615,918
Accumulated amortization, beginning of year	-	711,905	5,069,385	1,179,978	481,696	153,312	11,607,074	-	19,203,350
Amortization	-	22,237	257,907	79,649	31,578	5,523	89,632	-	486,526
Accumulated amortization, end of year	-	734,142	5,327,292	1,259,627	513,274	158,835	11,696,706	-	19,689,876
Net carrying amount, end of year	\$ 87,069	\$ 179,527	\$ 3,193,505	\$ 870,459	\$ 238,088	\$ 5,342	\$ 3,011,646	\$ 340,406	\$ 7,926,042

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

The Corporation of the Township of Dubreuilville
Schedule 1 - Consolidated Tangible Capital Assets (Continued)

For the year ended December 31, 2021 (comparative figures)

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infrastructure	Construction in Progress	Total
Cost, beginning of year	\$ 87,069	\$ 810,132	\$ 8,520,797	\$ 1,690,549	\$ 751,362	\$ 164,177	\$ 13,641,240	\$ 2,632,150	\$ 28,297,476
Additions	-	103,537	-	114,719	-	-	-	77,565	295,821
Disposals	-	-	-	-	-	-	(1,652,194)	-	(1,652,194)
Capitalized construction	-	-	-	-	-	-	2,674,715	(2,674,715)	-
Cost, end of year	87,069	913,669	8,520,797	1,805,268	751,362	164,177	14,663,761	35,000	26,941,103
Accumulated amortization, beginning of year	-	691,681	4,811,480	1,110,770	450,118	144,180	13,005,701	-	20,213,930
Amortization	-	20,224	257,905	69,208	31,578	9,132	89,186	-	477,233
Disposals	-	-	-	-	-	-	(1,487,813)	-	(1,487,813)
Accumulated amortization, end of year	-	711,905	5,069,385	1,179,978	481,696	153,312	11,607,074	-	19,203,350
Net carrying amount, end of year	\$ 87,069	\$ 201,764	\$ 3,451,412	\$ 625,290	\$ 269,666	\$ 10,865	\$ 3,056,687	\$ 35,000	\$ 7,737,753

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

The Corporation of the Township of Dubreuilville
Schedule 2 - Consolidated Segment Disclosure

For the year ended December 31, 2022

	General Government	Protection	Trans- portation	Environ- mental	Health	Social and Family	Recreation and Cultural	Planning	Consolidated Total
Revenue									
Taxation	\$ 461,000	\$ 83,834	\$ 90,139	\$ -	\$ 74,609	\$ 55,078	\$ 261,263	\$ 207,227	\$ 1,233,150
Ontario grants	472,866	-	273,932	23,051	-	-	10,000	-	779,849
Canada grants	-	-	(2,349)	23,051	-	-	56,404	-	77,106
User fees and service charges	69,700	143,277	45,097	1,953,654	4,500	2,200	39,340	25,575	2,283,343
Licences, permits and rents	15,680	2,148	-	-	-	-	-	-	17,828
Interest and penalties on taxes	10,268	-	-	-	-	-	-	-	10,268
Other, gains and losses	41,556	-	-	-	-	-	-	-	41,556
	1,071,070	229,259	406,819	1,999,756	79,109	57,278	367,007	232,802	4,443,100
Expenses									
Salaries and benefits	468,861	66,711	158,161	67,821	2,449	-	108,339	86,985	959,327
Materials and supplies	158,185	32,291	38,867	40,785	587	-	48,147	2,601	321,463
Contracted services	180,396	159,835	78,231	877,243	-	-	109,412	142,476	1,547,593
Rents and financial	227,628	8,820	56,260	156,951	838	-	40,285	-	490,782
External transfers	-	-	-	-	85,933	66,608	-	-	152,541
Amortization	32,835	44,350	64,211	142,670	3,343	-	199,116	-	486,525
	1,067,905	312,007	395,730	1,285,470	93,150	66,608	505,299	232,062	3,958,231
Excess (deficiency) of revenue over expenses	\$ 3,165	\$ (82,748)	\$ 11,089	\$ 714,286	\$ (14,041)	\$ (9,330)	\$ (138,292)	\$ 740	\$ 484,869

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

The Corporation of the Township of Dubreuilville
Schedule 2 - Consolidated Segment Disclosure (Continued)

For the year ended December 31, 2021 (comparative figures)

	General Government	Protection	Trans- portation	Environ- mental	Health	Social and Family	Recreation and Cultural	Planning	Consolidated Total
Revenue									
Taxation	\$ 145,246	\$ 120,999	\$ 250,087	\$ 58,837	\$ 75,048	\$ 36,899	\$ 166,950	\$ 170,581	\$ 1,024,647
Ontario grants	393,514	-	91,950	103,168	-	18,200	3,723	-	610,555
Canada grants	-	-	103,537	13,075	-	-	52,167	-	168,779
User fees and service charges	161,461	145,338	23,212	1,032,222	4,100	-	78,707	20,075	1,465,115
Licences, permits and rents	14,722	2,286	-	-	-	-	-	-	17,008
Interest and penalties on taxes	14,277	-	-	-	-	-	-	-	14,277
Other, gains and (losses)	-	-	-	(164,380)	-	-	-	-	(164,380)
	729,220	268,623	468,786	1,042,922	79,148	55,099	301,547	190,656	3,136,001
Expenses									
Salaries and benefits	437,103	38,594	151,794	66,179	2,420	-	83,943	74,016	854,049
Materials and supplies	105,235	24,294	122,825	107,201	4,070	-	19,378	155	383,158
Contracted services	188,661	158,313	42,136	321,219	403	-	65,081	109,336	885,149
Rents and financial	61,809	8,301	30,559	145,491	427	-	35,311	-	281,898
External transfers	-	-	-	-	72,611	55,025	-	-	127,636
Amortization	36,445	44,350	60,761	133,218	3,343	-	199,116	-	477,233
	829,253	273,852	408,075	773,308	83,274	55,025	402,829	183,507	3,009,123
Excess (deficiency) of revenue over expenses	\$ (100,033)	\$ (5,229)	\$ 60,711	\$ 269,614	\$ (4,126)	\$ 74	\$ (101,282)	\$ 7,149	\$ 126,878

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

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



Independent Auditor's Report

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

Opinion

We have audited the financial statements of the Trust Fund of The Corporation of the Township of Dubreuilville (the Trust Fund), which comprise the statement of financial position as at December 31, 2022 and the statement of continuity for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2022, and the continuity thereof 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 Trust Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

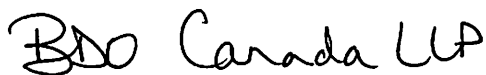
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

Independent Auditor's Report (continued)

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

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



Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario

August 9, 2023

The Corporation of the Township of Dubreuilville
Trust Funds
Cemetery Care and Maintenance

Statement of Financial Position

December 31	2022	2021
Assets		
Current		
Cash	\$ 10,783	\$ 10,533
Fund Balance		
Capital	\$ 10,783	\$ 10,533

Statement of Continuity

For the year ended December 31	2022	2021
Balance, beginning of year	\$ 10,533	\$ 10,033
Revenue		
Sale of plots	250	500
Expenditures	-	-
Balance, end of year	\$ 10,783	\$ 10,533

Summary of Significant Accounting Policies

Basis of Accounting

The trust funds follow the accounting recommendations of the Public Sector Accounting Board.