

**CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**CORPORATION OF THE TOWNSHIP OF  
DOURO-DUMMER**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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## **CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER**

**For The Year Ended December 31, 2023**

### **MANAGEMENT REPORT**

The accompanying consolidated financial statements of the Corporation of the Township of Douro-Dummer are the responsibility of management and have been approved by Council.

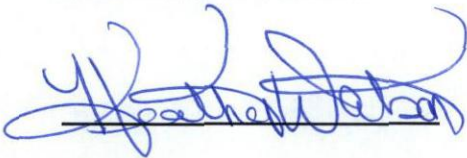
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen 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 Corporation of the Township of Douro-Dummer. 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



Treasurer

April 15, 2025

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Douro-Dummer**

#### *Opinion*

We have audited the consolidated financial statements of the Corporation of the Township of Douro-Dummer and its local board (the Township), which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statements of operations and accumulated surplus, remeasurement gains and (losses), 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, 2023, 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 15, 2025



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2023

	2023 \$	2022 \$
<b>FINANCIAL ASSETS</b>		
Cash	3,450,915	3,129,207
Investments (note 5)	4,068,475	4,019,373
Accounts receivable	576,439	928,768
Taxes receivable	829,874	806,661
Land held for resale	83,487	83,487
<b>TOTAL FINANCIAL ASSETS</b>	<b>9,009,190</b>	<b>8,967,496</b>
<b>LIABILITIES</b>		
Accounts payable	883,274	861,984
Deferred revenue - obligatory reserve funds (note 6)	1,074,705	1,068,782
Deferred revenue - other (note 7)	16,189	16,189
Landfill closure and post-closure liability (note 17)	-	144,000
Asset retirement obligations (note 16)	535,250	-
Employee future benefits (note 8)	132,167	135,336
<b>TOTAL LIABILITIES</b>	<b>2,641,585</b>	<b>2,226,291</b>
<b>NET FINANCIAL ASSETS</b>	<b>6,367,605</b>	<b>6,741,205</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 9)	29,817,641	28,646,260
Prepaid expenses	30,065	19,714
Inventories of materials and supplies	318,479	262,630
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>30,166,185</b>	<b>28,928,604</b>
	<b>36,533,790</b>	<b>35,669,809</b>
<b>Comprised of:</b>		
Accumulated surplus (note 10)	36,584,273	35,669,809
Accumulated remeasurement losses	(50,483)	-
	<b>36,533,790</b>	<b>35,669,809</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
<b>REVENUES</b>			
Property taxation	6,398,931	6,390,536	6,063,978
User charges	1,345,173	1,305,694	1,130,029
Government of Canada	4,464	105,287	242,902
Province of Ontario	849,843	1,041,143	800,090
Other municipalities	194,909	186,009	9,250
Penalty and interest on taxes	120,000	141,363	126,196
Investment income	108,000	308,248	160,650
Donations	281	482	15,722
Other	-	1,157	2,597
Insurance proceeds	-	-	144,831
Development charges earned (note 6)	207,901	122,499	-
Parkland fees earned (note 6)	-	-	64,847
Canada Community-Building Fund earned (note 6)	217,067	313,897	126,100
<b>TOTAL REVENUES</b>	<b>9,446,569</b>	<b>9,916,315</b>	<b>8,887,192</b>
<b>EXPENSES</b>			
General government	1,502,396	1,578,185	1,502,071
Protection services	2,747,701	2,573,470	2,290,847
Transportation services	2,680,924	2,885,054	2,857,802
Environmental services	350,441	363,437	367,830
Health services	2,227	1,444	3,072
Recreation and cultural services	1,181,530	1,145,390	1,025,035
Planning and development	164,350	136,871	84,460
Change in landfill liability	-	(144,000)	(38,000)
<b>TOTAL EXPENSES</b>	<b>8,629,569</b>	<b>8,539,851</b>	<b>8,093,117</b>
<b>ANNUAL SURPLUS</b>	<b>817,000</b>	<b>1,376,464</b>	<b>794,075</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>35,669,809</b>	<b>34,875,734</b>
<b>ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD (note 17)</b>		<b>(462,000)</b>	<b>-</b>
<b>ACCUMULATED SURPLUS - beginning of year, as restated</b>		<b>35,207,809</b>	<b>34,875,734</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>36,584,273</b>	<b>35,669,809</b>

The accompanying notes are an integral part of these financial statements



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND (LOSSES)

For the Year Ended December 31, 2023

	Actual 2023 \$	Actual 2022 \$
<b>ACCUMULATED REMEASUREMENT GAINS AND (LOSSES)</b>		
- beginning of year	-	-
Adjustment on adoption of the financial instruments standard	(61,329)	-
Unrealized gain/(loss) on portfolio investments during the year	10,846	-
<b>ACCUMULATED REMEASUREMENT GAINS AND (LOSSES)</b>		
- end of year	(50,483)	-

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
<b>ANNUAL SURPLUS</b>	817,000	1,376,464	794,075
Amortization of tangible capital assets	1,596,089	1,788,070	1,596,089
Purchase of tangible capital assets	(3,678,521)	(2,869,201)	(3,117,094)
Loss/(gain) on disposal of tangible capital assets	-	(32,873)	14,801
Proceeds on sale of tangible capital assets	-	32,873	170,895
Change in prepaid expenses	-	(10,351)	472
Change in inventories of materials and supplies	-	(55,849)	55,532
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(1,265,432)	229,133	(485,230)
<b>NET FINANCIAL ASSETS - beginning of year</b>	6,741,205	6,741,205	7,226,435
<b>ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD (note 17)</b>	-	(552,250)	-
<b>ADJUSTMENT ON ADOPTION OF THE FINANCIAL INSTRUMENTS STANDARD (note 17)</b>	-	(61,329)	-
<b>NET FINANCIAL ASSETS - beginning of year, as restated</b>	6,741,205	6,127,626	7,226,435
<b>DECREASE IN ACCUMULATED REMEASUREMENT LOSSES</b>	-	10,846	-
<b>NET FINANCIAL ASSETS - end of year</b>	5,475,773	6,367,605	6,741,205

The accompanying notes are an integral part of these financial statements



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

	2023 \$	2022 \$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	1,376,464	794,075
Items not affecting cash		
Amortization of tangible capital assets	1,788,070	1,596,089
Loss/(gain) on disposal of tangible capital assets	(32,873)	14,801
Change in landfill closure and post-closure liability	(144,000)	(38,000)
Change in employee future benefits	(3,169)	(1,184)
Change in asset retirement obligations	(17,000)	-
Change in non-cash assets and liabilities		
Accounts receivable	352,329	(508,607)
Taxes receivable	(23,213)	(101,946)
Prepaid expenses	(10,351)	472
Inventories of materials and supplies	(55,849)	55,532
Accounts payable	21,290	(279,558)
Deferred revenue - obligatory reserve funds	5,923	156,703
Deferred revenue - other	-	(9,862)
<b>Net change in cash from operating activities</b>	<b>3,257,621</b>	<b>1,678,515</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(2,869,201)	(3,117,094)
Proceeds on disposal of tangible capital assets	32,873	170,895
<b>Net change in cash from capital activities</b>	<b>(2,836,328)</b>	<b>(2,946,199)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(1,599,585)	(1,358,882)
Disposal of investments	1,500,000	1,310,000
<b>Net change in cash from investing activities</b>	<b>(99,585)</b>	<b>(48,882)</b>
<b>NET CHANGE IN CASH</b>	<b>321,708</b>	<b>(1,316,566)</b>
<b>CASH - beginning of year</b>	<b>3,129,207</b>	<b>4,445,773</b>
<b>CASH - end of year</b>	<b>3,450,915</b>	<b>3,129,207</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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The Township of Douro-Dummer 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:

- Douro-Dummer Public Library

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

#### (b) Trust funds

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

#### (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:

Land improvements	20 to 25 years
Buildings and building improvement	10 to 50 years
Machinery and equipment	5 to 40 years
Vehicles	5 to 30 years
Computers and computer software	5 years
Roads and bridges	10 to 50 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.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (d) 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.

##### Property 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 and other grants

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.

##### 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 Fund revenue, development charges and parkland fees are recognized in the period in which the related expenditures are recorded.

#### (e) 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.

#### (f) 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.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Deferred revenue

Deferred revenue represents 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.

(h) Use of estimates

Certain items recognized in the consolidated 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 consolidated financial statements or changes in such estimates in future periods could be significant. The Township's significant estimates include:

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values;
- The values of employee future benefit obligations and assets and the amount of employee future benefit costs charged to earnings depend on certain actuarial and economic assumptions; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

In addition, the Township's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets in conjunction with estimates of expected asset retirement costs, as well as the timing and duration of these retirement costs.

(i) Inventory

Inventory held for resale, which includes land, is stated at the lower of cost and net realizable value, with cost being the purchase price plus the cost to prepare the land for resale.

Inventory of materials and supplies is stated at weighted average cost.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (j) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Investments:	
Guaranteed investment certificates	Amortized Cost
Bond fund	Fair Value
Accounts receivable	Amortized Cost
Taxes receivable	Amortized Cost
Accounts payable	Amortized Cost

Fair value category: The Township manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (k) Asset Retirement Obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several of the buildings owned by the Township has also been recognized based on estimated future expenses for remediation or disposal.

The liability for landfills is discounted using a present value calculation, and adjusted yearly for accretion expense and any amounts paid. The recognition of the asbestos liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the accounting policies outlined in (c).

### 2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF PETERBOROUGH

During 2023, requisitions were made by the County of Peterborough and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Amounts requisitioned and remitted	2,593,942	6,120,987

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

### 3. 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.

### 4. BUDGET FIGURES

The budget, approved by the Township, for 2023 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.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 5. INVESTMENTS

The investments held at the end of the year, are comprised of the following:

	Level	2023 \$	2022 \$
<b>Held at amortized cost</b>			
Cash held in investment accounts		106,364	105,575
GICs - interest ranging from 0.85% to 5.5%, maturing March 2024 to December 2028		3,450,454	-
GICs - interest ranging from 0.6% to 4.51%, maturing January 2023 to July 2026		-	3,363,345
One Fund - bond fund		-	550,453
		3,556,818	4,019,373
<b>Held at fair value</b>			
One Fund - bond fund	1	511,657	-
		4,068,475	4,019,373

Book cost of One fund - bond fund is \$562,140 at December 31, 2023 (2022 - \$550,453).

There were no transfers in or out of level 2 and level 3 during the year as outlined in note 1(j).



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 6. 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 balances in the obligatory reserve funds of the Township are summarized below:

	2023	2022
	\$	\$
Parkland	51,277	20,027
Development charges	171,230	169,245
Canada Community-Building Fund	852,198	879,510
	1,074,705	1,068,782

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

	2023	2022
	\$	\$
Balance - beginning of year	1,068,782	912,079
Add amounts received:		
Development charges	124,484	88,628
Parkland fees	31,250	19,000
Canada Community-Building Fund	236,177	212,777
Interest	50,408	27,245
	442,319	347,650
Less transfer to operations:		
Development charges earned	122,499	-
Parkland fees earned	-	64,847
Canada Community-Building Fund earned	313,897	126,100
	436,396	190,947
Balance - end of year	1,074,705	1,068,782

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 7. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2023	2022
	\$	\$
Ontario Cannabis Legalization Implementation Fund	5,000	5,000
Ice and floor rentals	9,189	9,189
Other	2,000	2,000
	16,189	16,189

### 8. EMPLOYEE FUTURE BENEFITS

The Township provides eligible employees a benefit plan to pay costs of extended health and vision benefits after they retire. All benefits are provided upon retirement and continue for a period of 10 years, but not beyond the age 65, at which time the benefits cease. The actuarial valuation as at December 31, 2023 was based on assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Expected discount rate	5.05%
Future health care premiums - first year (2021)	10.0%
- reducing over 10 years to	3.5%

The post-employment benefit is reported as an expense on the Consolidated Statement of Operations and Accumulated Surplus and is comprised as follows:

	2023	2022
	\$	\$
Accrued benefit obligation at January 1	102,532	110,629
Unamortized actuarial gains	32,804	25,891
Liability at January 1	135,336	136,520
Current year benefit cost	2,491	4,546
Interest on accrued benefit obligation	5,093	3,434
Less: benefit payments	(5,870)	(4,281)
Amortization of actuarial gains	(4,883)	(4,883)
Liability at December 31	132,167	135,336

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 9. TANGIBLE CAPITAL ASSETS

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

	2023	2022
	\$	\$
General		
Land and land improvements	2,081,447	1,940,478
Buildings and building improvements	2,154,487	1,741,842
Machinery and equipment	1,673,670	1,795,399
Vehicles	2,958,433	2,865,751
Computers and computer software	9,982	20,876
Infrastructure		
Roads and bridges	20,027,104	19,441,951
	28,905,123	27,806,297
Assets under construction	912,518	839,963
	29,817,641	28,646,260

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

During the year there were no write-downs of assets (2022 - \$Nil) and no interest capitalized (2022 - \$Nil).

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

	2023	2022
	\$	\$
General government	1,151,972	1,150,762
Protection services	2,351,952	2,054,759
Transportation services	22,453,425	21,632,240
Environmental services	17,212	21,168
Health services	21,314	21,792
Recreation and cultural services	2,728,597	2,672,105
Planning and development	1,093,169	1,093,434
	29,817,641	28,646,260

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

### 10. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023	2022
	\$	\$
<b>Surplus/(Deficit)</b>		
Land held for resale	83,487	83,487
Unfunded employee future benefits	(132,167)	(135,336)
Unfunded landfill closure and post-closure costs	-	(144,000)
	(48,680)	(195,849)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	29,817,641	28,646,260
Unfunded asset retirement obligation	(535,250)	-
	29,282,391	28,646,260
<b>Surplus</b>	29,233,711	28,450,411
<b>Reserves</b>		
Working funds	1,866,190	1,853,080
Self insurance	43,221	43,221
Post employment benefits	69,156	69,156
Future capital projects	4,644,658	4,553,691
Future operations	718,554	691,467
<b>Total Reserves</b>	7,341,779	7,210,615
<b>Reserve Funds</b>		
Future capital projects	8,783	8,783
	36,584,273	35,669,809

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 11. EXPENSES BY OBJECT

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

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
Salaries and benefits	3,616,005	3,443,565	2,805,007
Materials	1,731,438	1,898,274	2,009,465
Contracted services	1,568,774	1,424,880	1,591,139
Rents and financial	4,800	46,652	7,940
External transfers	112,463	115,283	106,676
Amortization	1,596,089	1,788,070	1,596,089
Change in landfill liability	-	(144,000)	(38,000)
Loss (gain) on disposal of tangible capital assets	-	(32,873)	14,801
	8,629,569	8,539,851	8,093,117

### 12. PENSION AGREEMENTS

Certain employees of the Township are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. OMERS provides pension services to over 600,000 active, inactive and retired members from over 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 Actuarial Opinion contained in the 2023 Annual Report disclosed total actuarial liabilities of \$136,185 million in respect of benefits accrued for service with actuarial assets of \$131,983 million indicating an actuarial deficit of \$4,202 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.

The Township's required contributions to OMERS in 2023 were \$216,871 (2022 - \$165,159).

### 13. TRUST FUNDS

Trust funds administered by the Township amounting to \$41,592 (2022 - \$41,660) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

### 14. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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### 15. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the Township assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The Township is exposed to the following risks in respect of certain of the financial instruments held:

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise.

(b) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss.

The Township reduces its exposure to credit risk by creating an allowance for bad debts when applicable. The Township monitors and assesses the collectability of accounts receivable based on past experience to derive a net realizable value.

(c) Market risk

The Township is exposed to certain market risks including changes in pricing and limited access to foreign markets.

In the opinion of management, the Township is not exposed to any significant liquidity or currency risk.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 16. ASSET RETIREMENT OBLIGATION

The Township's asset retirement obligation consists of the following:

(a) Landfill obligation

The Township owns and operates closed three landfill sites. The liability for the landfills has been recognized under PS 3280 – Asset Retirement Obligations. The costs have been estimated based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 35 years after the closure date using a discount rate of 4.5% and an inflation rate of 3%.

(b) Asbestos obligation

The Township owns several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, the Township recognized an obligation relating to the removal of the asbestos in these building as estimated at January 1, 2023.

Changes to the asset retirement obligation in the year are as follows:

	Landfill obligation \$	Asbestos removal \$	Total 2023 \$
<b>Asset Retirement Obligation</b>			
Opening balance - January 1, 2023	-	-	-
Adjustment on adoption of the asset retirement obligation standard	462,000	90,250	552,250
Remediation costs incurred	(56,000)	-	(56,000)
Accretion expense	39,000	-	39,000
Closing balance	445,000	90,250	535,250



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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### 17. CHANGES IN ACCOUNTING POLICIES

The Township has implemented the following sections which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations were adopted prospectively on January 1, 2023.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Township's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments.

In accordance with the provisions of PS 3041 and PS 3450, the Township reflected the following adjustments at January 1, 2024:

- A decrease of \$61,329 to investments and an increase of \$61,329 to accumulated remeasurement gains/(losses) due to the unrealized gain of the Township investments previously recorded at cost being recorded at fair value and reclassified to accumulated remeasurement gains/(losses).

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability.

In accordance with the provisions of this new standard, the Township reflected the following adjustments at January 1, 2023:

#### Landfill Obligation

- A decrease of \$144,000 to landfill closure and post-closure liability to remove the liability recognized to December 31, 2022 under the previous standard, and an increase of \$462,000 to opening asset retirement obligation liability

#### Asbestos Obligation

- An increase of \$90,250 to the buildings tangible capital asset account and a corresponding increase to the opening asset retirement obligation liability.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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### 18. SEGMENTED INFORMATION

The Township of Douro-Dummer 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 segment 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, winter control and street lighting.

#### **Environmental Services**

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

#### **Health Services**

The health services function consists of the activities of the cemetery.

#### **Recreation and Cultural Services**

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

#### **Planning and Development**

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2023

	General					Infrastructure		
	Land and land improvements	Buildings and building improvements	Machinery and Equipment	Vehicles	Computers and computer software	Roads and Bridges	Assets Under Construction	Totals
	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>								
Balance, beginning of year	2,339,264	5,346,325	4,006,162	5,659,835	266,683	33,699,895	839,963	52,158,127
Add: additions during the year	176,874	457,480	101,878	410,137	-	1,650,277	72,555	2,869,201
Less: disposals during the year	-	-	24,551	178,141	-	93,004	-	295,696
Asset retirement obligation	-	90,250	-	-	-	-	-	90,250
Balance, end of year	2,516,138	5,894,055	4,083,489	5,891,831	266,683	35,257,168	912,518	54,821,882
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	398,786	3,604,483	2,210,763	2,794,084	245,807	14,257,944	-	23,511,867
Add: additions during the year	35,905	135,085	223,607	317,455	10,894	1,065,124	-	1,788,070
Less: disposals during the year	-	-	24,551	178,141	-	93,004	-	295,696
Balance, end of year	434,691	3,739,568	2,409,819	2,933,398	256,701	15,230,064	-	25,004,241
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	2,081,447	2,154,487	1,673,670	2,958,433	9,982	20,027,104	912,518	29,817,641

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2023

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	696,576	1,884,484	2,741,103	222,629	1,750	721,259	122,735	6,390,536
User charges	23,564	648,618	27,658	153,378	-	420,387	32,089	1,305,694
Government transfers - operating	582,178	9,537	34,794	7,550	-	71,556	-	705,615
Government transfers - capital	-	3,634	337,061	-	-	100,120	-	440,815
Other municipalities	-	1,500	184,509	-	-	-	-	186,009
Penalty and interest on taxes	141,363	-	-	-	-	-	-	141,363
Investment income	308,248	-	-	-	-	-	-	308,248
Donations	-	200	-	-	-	282	-	482
Other	-	-	-	1,157	-	-	-	1,157
Developer contributions earned	2,249	-	120,250	-	-	-	-	122,499
Canada Community-Building Fund earned	-	-	313,897	-	-	-	-	313,897
<b>Total revenues</b>	<b>1,754,178</b>	<b>2,547,973</b>	<b>3,759,272</b>	<b>384,714</b>	<b>1,750</b>	<b>1,313,604</b>	<b>154,824</b>	<b>9,916,315</b>
<b>Expenses</b>								
Salaries and benefits	1,050,360	898,104	827,889	45,312	-	500,494	121,406	3,443,565
Materials	318,229	358,975	698,688	40,301	967	471,116	9,998	1,898,274
Contracted services	113,222	1,014,322	52,740	234,868	-	4,526	5,202	1,424,880
Rents and financial	7,652	-	-	39,000	-	-	-	46,652
External transfers	5,118	110,165	-	-	-	-	-	115,283
Amortization	83,604	207,896	1,318,907	3,956	477	172,965	265	1,788,070
Change in landfill liability	-	-	-	(144,000)	-	-	-	(144,000)
Loss (gain) on disposal of tangible capital assets	-	(15,992)	(13,170)	-	-	(3,711)	-	(32,873)
<b>Total expenses</b>	<b>1,578,185</b>	<b>2,573,470</b>	<b>2,885,054</b>	<b>219,437</b>	<b>1,444</b>	<b>1,145,390</b>	<b>136,871</b>	<b>8,539,851</b>
<b>Net surplus/(deficit)</b>	<b>175,993</b>	<b>(25,497)</b>	<b>874,218</b>	<b>165,277</b>	<b>306</b>	<b>168,214</b>	<b>17,953</b>	<b>1,376,464</b>

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## 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 \$
<b>Revenues</b>								
Property taxation	702,049	1,820,499	2,477,770	218,187	3,250	719,428	122,795	6,063,978
User charges	43,405	566,999	36,642	144,059	-	313,659	25,265	1,130,029
Government transfers - operating	574,708	15,750	129,283	618	-	21,500	-	741,859
Government transfers - capital	-	29,836	76,757	-	-	194,540	-	301,133
Other municipalities	-	9,250	-	-	-	-	-	9,250
Penalty and interest on taxes	126,196	-	-	-	-	-	-	126,196
Investment income	160,030	-	-	-	-	620	-	160,650
Donations	-	3,089	-	-	-	12,633	-	15,722
Other	1,300	-	-	-	-	1,297	-	2,597
Insurance proceeds	-	-	-	-	-	144,831	-	144,831
Parkland fees earned	-	-	-	-	-	64,847	-	64,847
Canada Community-Building Fund earned	-	-	126,100	-	-	-	-	126,100
<b>Total revenues</b>	<b>1,607,688</b>	<b>2,445,423</b>	<b>2,846,552</b>	<b>362,864</b>	<b>3,250</b>	<b>1,473,355</b>	<b>148,060</b>	<b>8,887,192</b>
<b>Expenses</b>								
Salaries and benefits	885,351	698,648	725,238	44,750	-	374,391	76,629	2,805,007
Materials	375,619	291,960	871,908	31,564	2,595	432,268	3,551	2,009,465
Contracted services	144,196	1,036,053	109,772	284,204	-	12,899	4,015	1,591,139
Rents and financial	7,940	-	-	-	-	-	-	7,940
External transfers	2,004	104,672	-	-	-	-	-	106,676
Amortization	81,499	182,405	1,162,545	7,312	477	161,586	265	1,596,089
Change in landfill liability	-	-	-	(38,000)	-	-	-	(38,000)
Loss (gain) on disposal of tangible capital assets	5,462	(22,891)	(11,661)	-	-	43,891	-	14,801
<b>Total expenses</b>	<b>1,502,071</b>	<b>2,290,847</b>	<b>2,857,802</b>	<b>329,830</b>	<b>3,072</b>	<b>1,025,035</b>	<b>84,460</b>	<b>8,093,117</b>
<b>Net surplus/(deficit)</b>	<b>105,617</b>	<b>154,576</b>	<b>(11,250)</b>	<b>33,034</b>	<b>178</b>	<b>448,320</b>	<b>63,600</b>	<b>794,075</b>

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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Board of Directors of Corporation of the Township of Douro-Dummer**

#### *Opinion*

We have audited the financial statements of the Trust Funds of the Corporation of the Township of Douro-Dummer (the Trust Funds), which comprise the statement of financial position as at December 31, 2023, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2023, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust Funds 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 Trust Funds' 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 Funds or to cease operations, or has no realistic alternative but to do so.

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

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Peterborough

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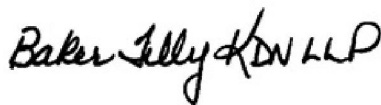
### *Auditor's Responsibilities for the Audit of the Financial Statements*

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 Trust Funds' 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 Funds' 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 Funds 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

Peterborough, Ontario  
May 15, 2025



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2023

	H. Sherry Scholarship \$	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Caldwell Charity Fund \$	2023 Total \$	2022 Total \$
<b>FINANCIAL ASSETS</b>						
Cash	8,695	16,024	-	1,690	26,409	26,022
Loans receivable (note 2)	-	11,577	-	-	11,577	11,577
Due from Township	-	-	3,700	-	3,700	3,863
Due from Province	-	341	-	162	503	341
	8,695	27,942	3,700	1,852	42,189	41,803
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Due to Township	-	597	-	-	597	143
<b>FUND BALANCES</b>	8,695	27,345	3,700	1,852	41,592	41,660
	8,695	27,942	3,700	1,852	42,189	41,803

## TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2023

	H. Sherry Scholarship \$	Ontario Home Renewal Program \$	Cemetery Perpetual Care \$	Caldwell Charity Fund \$	2023 Total \$	2022 Total \$
<b>BALANCES - beginning of year</b>	8,810	27,345	3,700	1,805	41,660	41,646
<b>RECEIPTS</b>						
Interest earned	-	454	172	47	673	422
<b>EXPENSES</b>						
Transfer to Township	-	454	172	-	626	368
Administration fees	115	-	-	-	115	40
	115	454	172	-	741	408
<b>BALANCES - end of year</b>	8,695	27,345	3,700	1,852	41,592	41,660

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## TRUST FUNDS

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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#### 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.

(a) Basis of accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.

#### 2. ONTARIO HOME RENEWAL PROGRAM LOANS

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans are limited to \$7,500 of which the maximum forgivable is \$4,000. Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

Ontario Home Renewal Program loans receivable at December 31, 2023 are comprised of repayable loans of \$11,577 (2022 - \$11,577).

The Province of Ontario cancelled the Ontario Home Renewal Program as of July 16, 1993. As of that date, no new loans are to be issued and surplus funds are to be returned to the Province annually.

#### 3. CARE AND MAINTENANCE FUNDS

The Care and Maintenance Funds administered by the Township are funded by the sale of cemetery plots. These funds are invested and earnings derived there from are used to preform perpetual care maintenance to the cemetery. The operations and investments of the Fund are undertaken by the Township in accordance with the regulations of the Funeral, Burial and Cremation Services Act (2002).

**CORPORATION OF THE TOWNSHIP OF  
DOURO-DUMMER**

**DOURO-DUMMER PUBLIC LIBRARY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**Baker Tilly KDN LLP**  
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Peterborough, ON  
Canada K9J 2V4

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## **INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

**To the Members of the Douro-Dummer Public Library, the  
Members of Council, Inhabitants and Ratepayers of the  
Corporation of the Township of Douro-Dummer**

We have reviewed the accompanying financial statements of the Douro-Dummer Public Library of the Corporation of the Township of Douro-Dummer (the Board), that comprise the statement of financial position as at December 31, 2023 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*

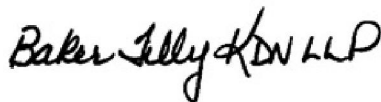
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

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.

### *Conclusion*

Based on our review, 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, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 15, 2025

ASSURANCE • TAX • ADVISORY

*Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.*

Peterborough

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# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY STATEMENT OF FINANCIAL POSITION At December 31, 2023

	2023 \$	2022 \$
<b>FINANCIAL ASSETS</b>		
Cash	66,212	42,971
Accounts receivable	438	1,291
Due from Township (note 2)	97,959	106,029
<b>NET FINANCIAL ASSETS</b>	164,609	150,291
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 4)	47,880	139,544
<b>ACCUMULATED SURPLUS (note 5)</b>	212,489	289,835

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2023

	Budget 2023 \$ (Note 3)	Actual 2023 \$	Actual 2022 \$
<b>REVENUES</b>			
Municipal contributions			
Levy	145,085	145,085	130,811
Allocated costs (note 2)	-	23,933	-
Province of Ontario	14,000	25,936	14,307
User charges	1,076	1,064	338
Other grants	-	-	1,297
<b>TOTAL REVENUES</b>	<b>160,161</b>	<b>196,018</b>	<b>146,753</b>
<b>EXPENSES</b>			
Salaries, wages and benefits	107,231	104,171	71,622
Subscriptions and videos	2,280	2,844	931
Supplies, materials and rentals	9,419	8,110	12,288
Public relations and advertising	1,835	1,140	630
Memberships, staff training and mileage	6,990	8,148	6,747
Utilities	9,600	12,181	11,796
Property maintenance and repairs	7,106	22,520	13,162
Contracted services	1,700	1,359	1,497
Amortization	14,371	13,890	20,079
Transfer of building to Township	-	99,001	-
<b>TOTAL EXPENSES</b>	<b>160,532</b>	<b>273,364</b>	<b>138,752</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>(371)</u></b>	<b>(77,346)</b>	<b>8,001</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>289,835</b>	<b>281,834</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>212,489</b>	<b>289,835</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2023

	Budget 2023 \$ (Note 3)	Actual 2023 \$	Actual 2022 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(371)	(77,346)	8,001
Amortization of tangible capital assets	14,371	13,890	20,079
Acquisition of tangible capital assets	(14,000)	(21,227)	(11,595)
Transfer of building to Township	-	99,001	-
<b>INCREASE IN NET FINANCIAL ASSETS</b>	-	14,318	16,485
<b>NET FINANCIAL ASSETS - beginning of year</b>	150,291	150,291	133,806
<b>NET FINANCIAL ASSETS - end of year</b>	150,291	164,609	150,291

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



# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY STATEMENT OF CASH FLOWS For the Year Ended December 31, 2023

	2023 \$	2022 \$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus/(deficit)	(77,346)	8,001
Items not involving cash		
Amortization of tangible capital assets	13,890	20,079
Transfer of building to Township	99,001	-
Change in non-cash assets and liabilities		
Accounts receivable	853	(174)
Due from Township	8,070	(2,004)
<b>Net change in cash from operating activities</b>	<b>44,468</b>	<b>25,902</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(21,227)	(11,595)
<b>NET CHANGE IN CASH</b>	<b>23,241</b>	<b>14,307</b>
<b>CASH - beginning of year</b>	<b>42,971</b>	<b>28,664</b>
<b>CASH - end of year</b>	<b>66,212</b>	<b>42,971</b>

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 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 and other grants are 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.

User charges are recognized as revenue in the year the goods and services are provided.

#### (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.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (c) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Accounts receivable	Amortized Cost
Due from Township	Amortized Cost

Fair value category: The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

As there are no unrealized gains or losses on financial instruments to report, the Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (d) 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:

Buildings and building improvement	15 to 50 years
Equipment and books	5 to 40 years
Computers	5 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.

#### (e) Deferred revenue

Deferred revenue represents 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.

#### (f) 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.

#### (g) Inter-entity transactions

The Douro-Dummer Public Library is a Board of the Township of Douro-Dummer 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.

#### (h) Reserves

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

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 2. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Douro-Dummer.

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.

Details of the inter-entity expense transactions are as follows:

	2023	2022
	\$	\$
Allocated costs:		
Awning	9,727	-
Painting	6,054	-
Water filter system	8,152	-
	23,933	-

In addition, the Township provides accounting and administrative services to the Board at no cost.

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

### 3. BUDGET FIGURES

The operating budget, approved by the Board, for 2023 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.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

### 4. TANGIBLE CAPITAL ASSETS

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

	Buildings and building improvements \$	Equipment and books \$	Computer \$	2023 Totals \$	2022 Totals \$
<b>COST</b>					
Balance, beginning of year	169,134	73,266	7,879	250,279	249,492
Add: additions during the year	-	21,227	-	21,227	11,595
Less: disposals during the year	169,134	11,112	-	180,246	10,808
Balance, end of year	-	83,381	7,879	91,260	250,279
<b>ACCUMULATED AMORTIZATION</b>					
Balance, beginning of year	70,133	32,723	7,879	110,735	101,464
Add: additions during the year	-	13,890	-	13,890	20,079
Less: disposals during the year	70,133	11,112	-	81,245	10,808
Balance, end of year	-	35,501	7,879	43,380	110,735
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	-	47,880	-	47,880	139,544

### 5. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023 \$	2022 \$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	47,880	139,544
<b>Surplus</b>	47,880	139,544
<b>Reserve</b>		
Future capital projects	164,609	150,291
	212,489	289,835

### 6. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

# CORPORATION OF THE TOWNSHIP OF DOURO-DUMMER

## DOURO-DUMMER PUBLIC LIBRARY NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 7. CHANGES IN ACCOUNTING POLICIES

The Board has implemented the following sections which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations were adopted prospectively on January 1, 2023.

PS 1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Board's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability. The adoption of this standard did not have an impact on the Board's financial statements.

### 8. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the Board assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

In the opinion of management, the Board is not exposed to any significant interest rate, market, liquidity, credit or currency risk.