

Non-Consolidated Financial Statements of

**CORPORATION OF THE TOWNSHIP  
OF RIDEAU LAKES**

Year ended December 31, 2023

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Year ended December 31, 2023

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## **Management's Responsibility for the Non-Consolidated Financial Statements**

The accompanying non-consolidated financial statements of the Corporation of the Township of Rideau Lakes (the "Township") are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of significant accounting policies are described in note 1 to the non-consolidated financial statements. The preparation of non-consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Township's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of non-consolidated financial statements. These systems are monitored and evaluated by management.

Management meets with the external auditors to review the non-consolidated financial statements and discuss any significant financial reporting or internal control matters prior to Council approval of the non-consolidated financial statements.

The non-consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Township. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Township's non-consolidated financial statements.

*Shellee Fournier*

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Shellee Fournier  
Chief Administrative Officer

*Cynthia Laprade*

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Cynthia Laprade, CPA  
Treasurer

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Non-Consolidated Statement of Financial Position  
December 31, 2023 with comparative information for 2022



	2023	2022
<b>Financial assets</b>		
Cash	\$4,594,948	\$3,390,226
Taxes receivable	1,627,307	1,146,360
Accounts receivable	1,102,110	1,047,451
	<u>7,324,365</u>	<u>5,584,037</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	1,991,441	2,054,581
Tax revenue paid in advance	349,432	0
Asset retirement obligations (note 9)	3,524,139	3,403,754
Other current liabilities	129,240	129,346
Deferred revenue (note 5)	1,117,667	1,081,304
Long-term liabilities (note 6)	4,156,343	4,364,056
	<u>11,268,262</u>	<u>11,033,041</u>
<b>Net debt</b>	<u>(3,943,897)</u>	<u>(5,449,004)</u>
<b>Non-financial assets</b>		
Tangible capital assets (note 12)	41,432,425	40,337,157
Inventories	315,047	250,307
Prepaid expenses	88,453	191,675
	<u>41,835,925</u>	<u>40,779,139</u>
Commitments (note 10)		
Contingent liabilities (note 11)		
<b>Municipal Equity (note 7)</b>	<u>\$37,892,028</u>	<u>\$35,330,135</u>

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

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Non-Consolidated Statement of Operations and Municipal Equity  
December 31, 2023 with comparative information for 2022



	Budget (note 15)		
	2023	2023	2022
<b>Revenue:</b>			
Taxation	\$12,447,978	\$12,530,780	\$11,922,852
Taxation - other governments	238,317	242,522	257,787
User charges	792,790	842,933	888,174
Contributions from developers	-	-	31,990
Government transfers	2,028,714	2,051,402	1,960,706
Licences and permits	867,786	890,619	1,004,506
Investment income	120,000	235,975	94,729
Penalties and interest on taxes	245,000	244,573	272,664
Other	217,160	265,513	261,057
<b>Total revenue</b>	<b>16,957,745</b>	<b>17,304,317</b>	<b>16,694,465</b>
<b>Expenses (note 14):</b>			
General government	3,274,547	3,206,613	3,634,375
Protection to persons and property	4,353,852	4,522,615	4,494,033
Transportation services	5,256,728	5,034,982	4,946,468
Environmental services	1,658,305	1,563,076	1,344,410
Asset retirement obligation (note 9)	-	120,385	(324,736)
Recreation and cultural services	1,568,486	1,400,860	1,331,030
Planning and development	587,235	485,875	480,930
<b>Total expenses</b>	<b>16,699,153</b>	<b>16,334,406</b>	<b>15,906,510</b>
<b>Annual operating surplus before the undernoted items</b>	<b>258,592</b>	<b>969,911</b>	<b>787,955</b>
<b>Other:</b>			
Grants and transfers related to capital:			
Contributions from developers	366,950	177,059	80,000
Government transfers	695,172	731,609	940,640
Other	1,167,690	788,953	122,950
Gain/Loss on Sale/Disposal TCA	-	-	1,916,669
Write-down of tangible capital assets	-	(105,639)	(80,692)
	<b>2,229,812</b>	<b>1,591,982</b>	<b>2,979,567</b>
<b>Annual Surplus</b>	<b>2,488,404</b>	<b>2,561,893</b>	<b>3,767,522</b>
Municipal equity, beginning of year	35,330,135	35,330,135	31,562,613
<b>Municipal equity, end of year</b>	<b>\$37,818,539</b>	<b>\$37,892,028</b>	<b>\$35,330,135</b>

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

## CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Non-Consolidated Statement of Changes in Net Debt  
December 31, 2023 with comparative information for 2022



	Budget (note 15) 2023	2023	2022
<b>Annual surplus</b>	\$2,488,404	\$2,561,893	\$3,767,522
Amortization of tangible capital assets	2,834,312	2,832,868	2,522,080
Acquisition of tangible capital assets	(6,453,658)	(4,033,775)	(4,723,261)
Proceeds on disposal of tangible capital assets	-	-	1,941,503
Loss (gain) on disposal of tangible capital assets	-	-	(1,916,669)
Writedown of tangible capital assets	-	105,639	80,692
Acquisition of prepaid expenses	-	103,222	(125,099)
Acquisition of supplies inventories	-	(64,740)	13,579
	(3,619,346)	(1,056,786)	(2,207,175)
<b>Change in net debt</b>	(1,130,942)	1,505,107	1,560,347
Net debt, beginning of year	(5,449,004)	(5,449,004)	(7,009,351)
<b>Net debt, end of year</b>	<b>\$ (6,579,946)</b>	<b>\$ (3,943,897)</b>	<b>\$ (5,449,004)</b>

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

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Non-Consolidated Statement of Cash Flows  
December 31, 2023 with comparative information for 2022



	2023	2022
<b>Operating activities:</b>		
Annual surplus	\$2,561,893	\$3,767,522
Item not involving cash:		
Amortization of tangible capital assets	2,832,868	2,522,080
Writedown of tangible capital assets	105,639	80,692
Asset retirement obligations	120,385	(324,736)
Change in non-cash operating working capital:		
Taxes receivable	(480,947)	(166,058)
Accounts receivable	(54,659)	(178,978)
Accounts payable and accrued liabilities	(63,140)	3,203
Tax revenue paid in advance	349,432	-
Other current liabilities	(106)	4,404
Deferred revenue	36,363	371,669
Inventories	(64,740)	13,579
Prepaid expenses	103,222	(125,099)
Net change in cash from operations	5,446,210	5,968,278
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(4,033,775)	(4,723,261)
Gain on disposal of tangible capital assets	-	(1,916,669)
Proceeds on disposal of tangible capital assets	-	1,941,503
	(4,033,775)	(4,698,427)
<b>Financing activities:</b>		
Debt issues for Township purposes	1,391,783	603,990
Debt principal repayments	(1,599,496)	(1,869,727)
	(207,713)	(1,265,737)
<b>Increase (decrease) in cash</b>	<b>1,204,722</b>	<b>4,114</b>
<b>Cash, beginning of year</b>	<b>3,390,226</b>	<b>3,386,112</b>
<b>Cash, end of year</b>	<b>\$4,594,948</b>	<b>\$3,390,226</b>

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

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

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The Township of Rideau Lakes (the "Township") was incorporated January 1, 1998 (being an amalgamation of the former Township of Bastard and Burgess, Township of South Crosby, Township of South Elmsley, Township of North Crosby and the Village of Newboro) and assumed its responsibilities under the authority of the Minister of Municipal Affairs and the Municipal Act. The Township operates as a lower tier government in the United Counties of Leeds and Grenville, in the Province of Ontario, Canada and provides municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations.

## 1. Significant accounting policies:

The non-consolidated financial statements of the Township are the representations of management and have been prepared in all material respects in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Township are as follows:

(a) Basis of presentation:

- (i) The financial statements reflect financial assets, liabilities, operating revenues and expenses, reserves, reserve funds and changes in investment in tangible capital assets of the Township.
- (ii) The taxation, other revenue, expenses, assets, and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements.

(b) Basis of accounting:

- (i) The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.
- (ii) Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(c) Taxation and related revenues:

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC). Tax rates are established by the Township Council, incorporating amounts to be raised for local services, amounts to be raised on behalf of the United Counties of Leeds and Grenville for regional services, and amounts the Township is required to collect on behalf of the Province of Ontario in respect of education taxes. Taxation revenues are recorded at the time tax billings are issued. Adjustments to taxation revenues can occur during the year related to the issuance of supplementary tax billings and/or assessment appeals. These adjustments are recorded when the amount of the adjustments can be quantified. The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period in which the interest and penalties are applied.



# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies: (continued)

### (d) Financial Instruments:

On January 1, 2023, the Township adopted PS 3450 Financial Instruments which establishes accounting and reporting for all types of financial instruments as disclosed in Note 2. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost.

Management has not elected to record any investments at fair value as they are not managed and evaluated on a fair value basis.

On application of this standard, unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses which records the remeasurement gains and losses for financial instruments measured at fair value. Unrealized gains and losses are realized upon settlement of the financial instrument when the financial instrument is sold or reaches maturity through the Statement of Operations and Municipal Equity. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the Statement of Operations and Municipal Equity.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations and Municipal Equity and any unrealized gain is adjusted through the Statement of Remeasurement Gains and Losses.

Long-term debt is recorded at amortized cost.

#### Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

#### Fair value hierarchy:

The following 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 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - fair value measurements are those derived from inputs other than quoted prices

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies: (continued)

(d) Financial Instruments:

included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

(e) Foreign Currency:

Foreign currency transactions are recorded at the exchange rate at the time of the transaction.

Assets and liabilities denominated in foreign currencies are recorded at fair value using the exchange rate at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the Statement of Remeasurement Gains and Losses. In the period of settlement, the realized foreign exchange gains and losses are recognized in the Statement of Operations and Municipal Equity and the unrealized balances are reversed from the Statement of Remeasurement Gains and Losses.

(f) Statement of Remeasurement Gains and Losses:

A Statement of Remeasurement Gains and Losses has not been provided as there are no significant unrealized gains or losses at December 31, 2023, or 2022.

(g) Tangible capital assets:

Tangible capital assets are recorded at historical cost or where historical cost records were not available, other methods determined to provide a best estimate of historical cost and accumulated amortization of the assets. Costs include all amounts that are directly attributable to acquisition, construction, development, or betterment of the asset.

The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land Improvements	20
Buildings and components	15 - 50
Equipment	5 - 20
Vehicles	5 - 20
Linear Assets	2 - 50

Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies: (continued)

### (g) Tangible capital assets: (continued)

The Township has capitalization thresholds as follows so that individual capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operations reasons:

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Land Improvements	\$ 10,000
Buildings and components	10,000
Equipment	5,000
Vehicles	10,000
Linear Assets	5,000 to 20,000

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Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other asset as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the Statement of Operations and Municipal Equity in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

When conditions indicate that a tangible capital asset no longer contributes to the Township's ability to provide services, or the value of the future economic benefits associated with the tangible capital assets are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the Statement of Operations and Municipal Equity.

### (h) Leases:

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

### (i) Inventories:

Inventories held for consumption are recorded at the lower cost or replacement cost.

### (j) Pension and employee benefits:

The Township accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer public sector pension fund, as a contributory defined

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies: (continued)

(j) Pension and employee benefits: (continued)

benefit plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

Employee benefits include vacation entitlement and sick leave benefits. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits are accrued in accordance with the Township's policy.

(k) Cash and cash equivalents:

The Township considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

(l) Government transfers:

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

(m) Deferred revenue:

The Township defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. Government transfers of gas taxes, development charges collected under the Development Charges Act, 1997, and recreational land collected under the Planning Act are reported as deferred revenues in the statement of financial position. These amounts will be recognized as revenues in the fiscal year the services are performed.

The Township receives restricted contributions under the authority of Federal and Provincial legislation and Township by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenue also represents contributions that the Township has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the services are performed, or related expenses incurred.

(n) Asset retirement obligations

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

- 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.

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies: (continued)

### (n) Asset retirement obligations (continued)

Liabilities are recognized for statutory, contractual, or legal obligations associated with the retirement of tangible capital assets when those obligations arise from the acquisition, construction or development and normal use of an asset. Asset retirement obligation liabilities for the closure and post-closure care of landfill sites, facilities containing asbestos and decommissioning of wells are initially recognized at the best estimate of future expenses.

The asset retirement obligation related to landfill closure and post-closure care requirements has been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The liability for landfill sites is based on estimates and assumptions with respect to events extending over a twenty-five-year period from the date of closure using the best information available to management and is discounted using present value methodology.

### (o) Liability for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- (a) an environmental standard exists;
- (b) contamination exceeds the environmental standard;
- (c) the Township:
  - (i) is directly responsible; or
  - (ii) accepts responsibility
- (d) it is expected that future economic benefit will be given up; and
- (e) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

### (p) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that 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. Significant estimates include assumptions used in estimated provisions for accrued liabilities and asset retirement obligations.

The implementation of PS 3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs.

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies: (continued)

(p) Use of estimates: (continued)

Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the financial statements in the period in which they became known.

## 2. Change in Accounting Policies

(a) Asset Retirement Obligations PS 3280:

On January 1, 2023, the Township of Rideau Lakes adopted PS 3280, Asset Retirement Obligations. The new standard establishes guidelines for acknowledging, assessing, presenting, and disclosing legal responsibilities connected with the retirement of tangible capital assets. The Township has chosen the prospective approach where liabilities are recognized on a forward-looking basis for the current and subsequent periods only. The valuation and accounting of the asset retirement obligation is completed at the time of adoption without consideration for previous years.

The new standard has resulted in a withdrawal of the existing Section PS 3270 Solid Waste Landfill Closure and Post-Closure Liability. The Township removed the landfill liability in the amount of \$3,403,754 that had been recognized to date and recognized the same amount as an asset retirement obligation upon adoption of PS 3280 on January 1, 2023. This liability is discounted using a present value method.

On January 1, 2023, the Township recognized additional asset retirement obligations relating to six buildings owned by the Township that contained asbestos and the cost to decommission sixteen wells. Of the six buildings the estimated cost to remove the asbestos ranged from \$4,000 to \$84,000 with the total cost of \$193,737. All the buildings were fully amortized but still in productive use. Of the sixteen wells the estimated cost to decommission ranges from \$3,000 to \$26,000 with the total cost of \$169,000. All wells were fully amortized but still in productive use. The total amount recorded for both asset retirement obligations is \$362,737. This liability is not discounted as the estimated timeline of the liability cannot be reasonably determined.

For assets in productive use and not fully amortized, asset retirement obligations are discounted using present value methodology and recorded as a liability with an annual adjustment for accretion expense. As a result, there would be a corresponding increase to the associated tangible capital asset which is then expensed over the useful life of the tangible capital asset in accordance with the Township policies. There were no assets in productive use and not fully amortized with asset retirement obligations.

For assets in productive use and fully amortized the estimated useful life was reviewed to determine if it is appropriate to extend the lives of these assets and recognize an asset retirement obligation on the assets. It was decided that it was not appropriate to extend the lives of these assets because it was not possible to estimate the extension of life of these assets. The asset retirement obligation was recorded as an expense in 2023 and a liability was recognized.

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 2. Change in Accounting Policies: (continued)

(a) Asset Retirement Obligations PS 3280: (continued)

All assets in the Township with asset retirement obligations, other than the those associated with landfill sites, fall under this category.

For assets that are no longer in productive use or were never recorded an expense is recorded in the current period and a liability is recorded. There were no assets under this category.

(b) Financial Statement Presentation PS 1201; Foreign Currency Translation PS 2601; Portfolio Investments PS 3041 and Financial Instruments PS 3450:

The Township adopted the following standards concurrently beginning January 1, 2023 prospectively: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments*, and PS 3450 *Financial Instruments*.

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 and Municipal Equity. 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 requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denoted in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.

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 distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* no longer applies.

PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

(i) Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 2. Change in Accounting Policies: (continued)

(b) Financial Statement Presentation PS 1201; Foreign Currency Translation PS 2601; Portfolio Investments PS 3041 and Financial Instruments PS 3450: (continued)

(i) Establishing fair value: (continued)

agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

(ii) Fair value hierarchy:

The following 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 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

In accordance with PS 3450 *Financial Instruments*, the financial statements of prior periods were not restated on transition. Consequently, the accounting policies for recognition, derecognition and measurement of financial instruments applied to the comparative information reflect those disclosed in the 2022 financial statements.

On application of this standard, a new statement, the Statement of Remeasurement Gains and Losses has not been included in these financial statements as there are no unrealized gains or losses to report.

Any difference between the financial instruments' fair values as at January 1, 2023, and previous carrying amounts as at December 31, 2022, excluding previously recognized exchange gains and losses, were recognized as an adjustment to the opening balance of accumulated remeasurement gains and losses. Hence, no comparative amounts are reported in the Statement of Remeasurement Gains and Losses due to prospective application of this standard.



# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

### 3. Operations of the school boards and United Counties of Leeds and Grenville:

The Township collected and made property tax transfers including payments in lieu of property taxes, to the United Counties of Leeds and Grenville and School Boards as follows:

	School boards		Counties	
	2023	2022	2023	2022
Property taxes	\$4,108,783	\$ 4,027,046	\$9,921,302	\$ 9,155,982
Taxation from other governments	7,761	7,295	76,246	72,655
	\$4,116,544	\$4,034,351	\$ 9,997,548	\$ 9,228,637

### 4. Bank indebtedness:

The Township's financial agreement with its bank provides for an operating credit facility of up to \$4,000,000 to finance expenses, pending receipt of property taxes and other income. Interest on funds drawn is charged at the bank's prime rate plus 0.25%. As at December 31, 2023, there was \$Nil (2022 \$Nil) drawn on the facility.

### 5. Deferred revenues:

A requirement of Canadian public sector accounting standards is that obligatory reserve funds be reported as deferred revenues. This requirement is in place as Provincial legislation restricts 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:

	Program Funding	Development Charges	Parkland	Total
January 1, 2023	\$250,978	\$275,336	\$554,990	\$1,081,304
Revenue Received	707	-	-	707
Donations	63,600	-	-	63,600
Contribution from developers	-	292,788	34,663	327,451
Interest	-	17,227	30,166	47,393
Transfer for operating purposes	(72,315)	-	-	(72,315)
Transfer for capital purposes	(153,414)	-	(177,059)	(330,473)
December 31, 2023	\$89,556	\$585,351	\$442,760	\$1,117,667

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 6. Long-term liabilities:

- (a) The balance of long-term liabilities reported on the statement of financial position is comprised of the following:

	2023	2022
One (1) Royal Bank of Canada fixed rate loan remaining at year end 2023 maturing in 2024 with interest rate of 3.16%	\$ 253,322	\$ 945,903
Six (6) Ontario Infrastructure Debentures maturing 2024, 2025, 2026, 2027, 2028 and 2033 with interest rates of 2.22%, 1.03%, 2.10%, 4.25%, 3.27% and 4.66% respectively.	3,855,647	3,324,739
UCLG Fire Communications Loan maturing 2024 with an interest rate of 2.88%	47,375	93,414
	<u>\$4,156,343</u>	<u>\$ 4,364,056</u>

- (b) Principal payments fall due as follows:

	Total
2024	\$1,297,710
2025	747,253
2026	567,217
2027	447,967
2028	330,010
2029 and thereafter	766,186
	<u>\$4,156,343</u>

- (c) Interest expense on long-term liabilities in 2023 amounted to \$104,980 (2022 - \$125,621).

- (d) These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 7. Municipal equity:

	2023	2022
Investment in tangible capital assets: Tangible capital assets	\$ 41,432,425	\$ 40,337,157
Long-term debt	(4,156,343)	(4,364,056)
	37,276,082	35,973,101
Unrestricted surplus (deficit):		
Operating fund surplus	1,105,412	319,440
Investment in inventory	315,047	250,307
Unfunded asset retirement obligation	(3,524,139)	(3,403,754)
	(2,103,680)	(2,834,007)
Reserves (Schedule 1)	2,592,328	2,070,083
Reserve Funds (Schedule 1)	127,298	120,958
Total Municipal Equity	\$ 37,892,028	\$ 35,330,135

## 8. Pension contributions:

The Township makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent 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. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Township does not recognize any share of the OMERS pension surplus or deficit in these financial statements.

The last available report for the OMERS plan was on December 31, 2023. At that time, the plan reported a \$4.2 billion actuarial deficit (2022 - \$6.7 billion), based on actuarial liabilities for \$136.2 billion (2022 - \$130.3 billion) and actuarial assets for \$128.6 billion (2022 - \$124.2 billion). If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions will be required in the future.

The amount contributed to OMERS was \$337,122 (2022 - \$302,708) for current services and is included as an expense on the Statement of Operations and Municipal Equity classified under the appropriate functional expenditure.

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 9. Asset Retirement Obligations:

The Township's asset retirement obligations consist of several obligations as follows:

(a) Landfill obligation:

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liabilities are based on estimates and assumptions with respect to events extending over a twenty-five-year period using the best information available to management. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

In 2019, the Ministry of Environment issued a Provincial order to close the Portland landfill site by July 31, 2019. Interim cover was applied to the landfill. The closure plan involves covering the site with a clap cap and placement of topsoil over the buried waste, landscaping, revegetation, and ongoing annual monitoring for a minimum of 25 years.

The Township has four additional inactive sites in Delta, Elgin, Hartsgravel Road and Westport.

The Elgin site was closed in 2004, the Westport site was closed in 2008 and the Delta site in 2013. The Hartsgravel Road site was closed in the early 1970's. During 2016, the Ministry of Environment requested an assessment of the site and a plan for monitoring the site. In 2018, the Ministry of Environment set out additional closure requirements.

Post closure care requirements include annual post-closure maintenance and monitoring requirements, calculated for a twenty-five-year period from the date of closure. As the Westport site was jointly held by the Township and the Village of Westport, post closure maintenance and monitoring costs are shared on an equal basis.

Estimated total expenses represent the sum of discounted future cash flows for closure and post closure care activities using an estimated inflation rate of 2.2% (2022, 2.5%) and discounted at the Township's average long-term borrowing rate of 4.62% (2022, 4.68%). The estimated total landfill closure costs are calculated to be \$3,161,402 (2022 - \$3,403,754) and are included in liabilities under asset retirement obligations on the Statement of Financial Position. The non-discounted amount without inflation is \$3,669,257 including closure costs of \$1,224,750 and post closure maintenance and monitoring costs of \$2,444,507.

(b) Asbestos obligation:

Asbestos and other designated hazardous materials represent a health hazard upon disturbance and as a result carry a legal obligation to remove them when a facility undergoes a significant renovation or demolition. The Township of Rideau Lakes owns and operates six buildings that are known to have asbestos and as a result recognized an obligation relating to the removal of the hazardous materials upon adoption of the PS 3280 *Asset Retirement Obligations*. All buildings are still in productive use but are fully amortized and the estimated useful life of these buildings is not

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 9. Asset Retirement Obligations:

(b) Asbestos obligation: (continued)

being extended. As such, the total amount of the asset retirement obligation is being recorded as an expense in the amount of \$197,737 with a liability recorded in the same amount.

(c) Well Decommissioning:

The Groundwater Protection Regulation provides specific guidelines for decommissioning wells which give rise to a retirement obligation. The Township must recognize an asset retirement obligation related to three wells owned by Rideau Lakes that will be required to be decommissioned at the end of life. The wells were included in the tangible capital asset register however, all are fully amortized and as such, the total amount of the asset retirement obligation is being recorded as an expense in 2023 in the amount of \$169,000 with a liability recorded in the same amount.

Asset Retirement Obligations	Landfill Obligation	Asbestos Obligation	Well Decommissioning	Total
Opening liability, January 1, 2023	\$ 3,403,754	-	-	\$ 3,403,754
Adjustments to liability on adoption of PS 3280	-	193,737	169,000	362,737
Liabilities settled during year	(122,905)	-	-	(122,905)
Change in measurement rate	(119,447)	-	-	(119,447)
Sub-total	(242,352)	193,737	169,000	120,385
Closing liability, December 31, 2023	3,161,402	193,737	169,000	3,524,139

## 10. Commitments:

- (a) The Township has a contract with the Ontario Provincial Police for the provision of policing services. The contract is a fee for service contract and is reviewed annually. The contract costs for 2023 were \$2,062,626 (2022 - \$2,102,776).
- (b) The Township has a contract with Limerick Environmental Services Ltd. for the transfer and processing of recycled materials. The contract expired February 2024. The fees are based on tonnage and include a sorting and disposal fee and a flat fee for container services. The fees are adjusted annually by the consumer price index. The contract costs for 2023 were \$163,877 (2022 - \$155,729).
- (c) The contract with GFL Environmental (formerly Lafleche Environmental Inc.) for the transfer, transportation and disposal of solid waste was extended for one year at the end of 2022 to December 2023. The fees were based on tonnage and were adjusted by the consumer price index. The contract costs for 2023 were \$417,316 (2022 - \$374,007). Effective January 10, 2024, the Township has negotiated a long-term contract with Glenview Iron and Metal for the transfer, transportation, and disposal of solid waste. This contract expires December 31, 2028, with an option to extend.

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 10. Commitments: (continued)

(d) The Township has negotiated a long-term contract with the Town of Smiths Falls for the cost sharing of recreation services. Under the agreement, the Town agreed to provide the Township financial and usage data. In 2022 the Township paid the Town of Smiths Falls \$160,023 for recreation services. When the 2022 financial statements were prepared this payment was under review because it was not in accordance with the maximum 5% per year allowed increase. Since that time, it was determined that the 2022 amount paid should have been \$123,048 resulting in an overpayment of \$36,975. The amount owing in 2023 was \$129,200 less the overpayment of \$36,975 resulting in a total payment of \$92,226.

## 11. Contingent liabilities:

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2023, management believes that the Township has valid defences and appropriate reserves and insurance coverages in place.

In the event any claims are successful, the amount of any potential liability is not determinable, therefore, no amount has been accrued in the financial statements.

## 12. Tangible capital assets:

Cost	Balance at December 31, 2022	Transfers and additions	Disposals and adjustments	Balance at December 31, 2023
Land	\$ 2,602,751	\$ -		\$ 2,602,751
Land Improvements	1,962,677	782,428		2,745,105
Buildings	5,902,672	50,011	(61,568)	5,891,115
Equipment	5,186,412	261,228	(39,140)	5,408,500
Vehicles	6,096,573	1,296,638	(557,322)	6,835,889
Linear Assets:				-
Bridges	1,410,232			1,410,232
Culverts	2,250,320	38,102		2,288,422
Roads	43,322,269	1,544,874	(2,161,803)	42,705,340
Sidewalks	1,450,054	40,394	(8,501)	1,481,947
Streetlights	296,249			296,249
Construction in process	525,882	20,100		545,982
Total	\$ 71,006,090	\$ 4,033,775	\$ (2,828,334)	\$ 72,211,532

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 12. Tangible capital assets: (continued)

Accumulated amortization	Balance at December 31, 2022	Amortization and adjustments	Transfers and disposals	Balance at December 31, 2023
Land	\$	\$	\$	\$
Land Improvements	643,606	84,898		728,504
Buildings	2,737,676	154,623	(60,812)	2,831,487
Equipment	2,642,105	385,249	(39,140)	2,988,214
Vehicles	2,816,105	418,250	(544,622)	2,689,733
Linear Assets:				-
Bridges	900,872	32,818		933,690
Culverts	1,311,490	63,163		1,374,653
Roads	18,879,886	1,634,897	(2,069,620)	18,445,163
Sidewalks	652,729	44,158	(8,501)	688,386
Streetlights	84,465	14,812		99,277
				-
<b>Total</b>	<b>\$ 30,668,934</b>	<b>\$ 2,832,868</b>	<b>\$ (2,722,695)</b>	<b>\$ 30,779,107</b>

Net book value	Net book value 2022	Net book value 2023
Land	\$ 2,602,751	\$ 2,602,751
Land Improvements	1,319,070	2,016,600
Buildings	3,164,996	3,059,627
Equipment	2,544,307	2,420,286
Vehicles	3,280,467	4,146,155
Linear Assets:		
Bridges	509,360	476,542
Culverts	938,829	913,768
Roads	24,442,385	24,260,179
Sidewalks	797,325	793,562
Streetlights	211,784	196,971
Construction in process	525,882	545,982
<b>Total</b>	<b>\$ 40,337,157</b>	<b>\$ 41,432,424</b>

## 13. Financial instruments and risk management:

### (a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Township is exposed to credit risk with respect to accounts receivable on the Statement of Financial Position.

The Township assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Township at December 31, 2023 is the carrying value of these assets. The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the Statement of Operations and Municipal Equity. Subsequent recoveries of impairment losses related to accounts receivable are credited to the Statement of Operations and Municipal Equity.

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 13. Financial instruments and risk management:

### (a) Credit risk: (continued)

	Current	Past due	Gross receivables	Allowances	Net receivables
Accounts receivable	\$ 1,102,110	-	\$ 1,102,110	-	\$ 1,102,110
Taxes receivable	1,084,048	1,177,872	2,261,920	(634,613)	1,627,307
<b>Total</b>	<b>\$ 2,186,158</b>	<b>\$1,177,872</b>	<b>\$ 3,364,030</b>	<b>\$ (634,613)</b>	<b>\$ 2,729,417</b>

### (b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates, impact the Township's income or the value of its holdings of financial instruments. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

There have been no significant changes to the market risk exposure from 2022.

#### (i) Currency risk:

Currency risk arises from the Township's operations in different currencies and converting non-Canadian earnings at different points in time at different foreign currency levels when adverse changes in foreign currency rates occur. The Township does not have any material transactions or financial instruments denominated in foreign currencies.

#### (ii) Interest rate risk:

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. Financial assets and financial liabilities with variable interest rates expose the Township to cash flow interest rate risk.

The Township's management monitors the interest rate fluctuations on a continuous basis and acts accordingly with regards to long-term debt as described in note 6. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the long-term debt.

There has been no change to the interest rate risk exposure from 2022.

#### (iii) Equity risk:

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Township is not exposed to this risk based on the current investment portfolio.



# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

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## 13. Financial instruments and risk management: (continued)

### (c) Liquidity risk:

Liquidity risk is the risk that the Township will not be able to meet all of its cash outflow obligations as they come due. The Township mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. Accounts payable are all current and the terms of the long-term debt are disclosed in note 6.

There have been no significant changes from the previous year in the Township's exposure to liquidity risk or policies, procedures and methods used to measure the risk.

## 14. Segmented information:

The Township is a diversified municipal government that provides a wide range of services to its citizens. The services are provided by departments and their activities are reported in the Statement of Operations and Municipal Equity.

Departments have been separately disclosed in the segmented information, along with the service they provide, are set out in the schedule below.

For each reported segment, expenses represent 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 financial statements as disclosed in note 1.

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 14. Segmented information (continued):

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Asset Retirement Obligation	Recreation and Culture Services	Planning and Development	2023 Total
<b>Revenue</b>								
<b>Taxation</b>								
Taxation	\$12,625,718	-	-	-	-	-	-	\$12,625,718
Taxation other governments	242,522	-	-	-	-	-	-	242,522
<b>User charges</b>								
User charges	33,024	23,359	30,067	559,378	-	87,212	109,893	842,933
Contribution from developers	-	-	-	-	-	-	-	-
Government transfers	1,750,370	-	29,903	247,533	-	23,097	500	2,051,403
Licences and permits	9,278	873,516	7,824	-	-	-	-	890,618
Investment income	234,303	-	1,672	-	-	-	-	235,975
Penalites and interest on taxes	244,573	-	-	-	-	-	-	244,573
Other	81,215	47,563	3,069	-	-	36,728	2,000	170,575
<b>Other</b>								
Contribution from developers	177,059	-	-	-	-	-	-	177,059
Capital government transfers	64,556	5,792	649,520	(60)	-	-	11,802	731,610
Capital other	127,818	628,392	30,869	1,873	-	-	-	788,952
Proceeds on Sale TCA	-	-	-	-	-	-	-	-
Gain/Loss on Sale/Disposal TCA	-	-	-	-	-	-	-	-
Write down of capital assets	(756)	-	(92,183)	(12,700)	-	-	-	(105,639)
<b>Total Revenue</b>	<b>15,589,680</b>	<b>1,578,622</b>	<b>660,741</b>	<b>796,024</b>	<b>-</b>	<b>147,037</b>	<b>124,195</b>	<b>18,896,299</b>
<b>Expenses</b>								
Salaries and wages	1,690,245	999,456	1,209,499	388,281	-	242,138	317,171	4,846,790
Debenture interest	104,980	-	-	-	-	-	-	104,980
Materials	697,253	926,306	1,503,673	305,551	-	882,135	78,387	4,393,305
Contracted Services	193,062	2,072,942	114,180	782,857	-	193,179	90,317	3,446,537
Rents and Financial Expenses	82,219	44,972	-	-	-	16,267	-	143,458
External transfers	155,566	231,876	57,616	-	-	1,025	-	446,083
Asset Retirement Obligation	-	-	-	-	120,385	-	-	120,385
Amortization	283,288	247,062	2,150,014	86,386	-	66,118	-	2,832,868
<b>Total Expenses</b>	<b>3,206,613</b>	<b>4,522,614</b>	<b>5,034,982</b>	<b>1,563,075</b>	<b>120,385</b>	<b>1,400,862</b>	<b>485,875</b>	<b>16,334,406</b>
<b>Annual surplus (deficit)</b>	<b>\$12,383,067</b>	<b>(\$2,943,992)</b>	<b>(\$4,374,241)</b>	<b>(\$767,051)</b>	<b>(\$120,385)</b>	<b>(\$1,253,825)</b>	<b>(\$361,680)</b>	<b>\$2,561,893</b>

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 14. Segmented information (continued):

	General Government	Protection to Persons and Property	Transportation Services	Envrionmental Services	Landfill Post Closure	Recreation and Culture Services	Planning and Development	2022 Total
<b>Revenue</b>								
<b>Taxation</b>								
Taxation	\$11,922,852	-	-	-	-	-	-	\$11,922,852
Taxation other governments	257,787	-	-	-	-	-	-	257,787
<b>User charges</b>								
User charges	28,465	73,055	35,353	529,635	-	83,413	138,253	888,174
Contribution from developers	-	-	31,990	-	-	-	-	31,990
Government transfers	1,630,537	4,533	110,247	213,290	-	2,100	-	1,960,707
Licences and permits	10,152	988,530	5,824	-	-	-	-	1,004,506
Investment income	94,729	-	-	-	-	-	-	94,729
Penalites and interest on taxes	272,664	-	-	-	-	-	-	272,664
Other	156,794	59,541	1,793	-	-	41,929	1,000	261,057
<b>Other</b>								
Contribution from developers	80,000	-	-	-	-	-	-	80,000
Capital government transfers	241,801	5,874	690,903	-	-	-	2,063	940,641
Capital other	100,149	22,800	-	-	-	-	-	122,949
Proceeds on Sale TCA	-	-	98,834	-	-	-	-	(98,834)
Gain/Loss on Sale/Disposal TCA	-	1,842,670	(24,835)	-	-	-	-	1,817,835
Write down of capital assets	(65,055)	(974)	(14,662)	-	-	-	-	(80,691)
<b>Total Revenue</b>	<b>14,730,875</b>	<b>2,996,029</b>	<b>935,447</b>	<b>742,925</b>	<b>-</b>	<b>127,442</b>	<b>141,316</b>	<b>19,674,034</b>
<b>Expenses</b>								
Salaries and wages	1,601,049	981,127	1,129,963	331,888	-	218,375	292,363	4,554,765
Debenture interest	125,621	-	-	-	-	-	-	125,621
Materials	913,523	892,255	1,663,101	288,087	-	846,609	75,930	4,679,505
Contracted Services	438,879	2,138,885	145,980	644,986	-	196,522	112,638	3,677,890
Rents and Financial Expenses	120,161	44,923	-	-	-	16,219	-	181,303
External transfers	207,604	225,118	54,960	-	-	2,400	-	490,082
Landfill Liability Adjustment	-	-	-	-	(324,736)	-	-	(324,736)
Amortization	227,536	211,726	1,952,465	79,449	-	50,904	-	2,522,080
<b>Total Expenses</b>	<b>3,634,373</b>	<b>4,494,034</b>	<b>4,946,469</b>	<b>1,344,410</b>	<b>(324,736)</b>	<b>1,331,029</b>	<b>480,931</b>	<b>15,906,510</b>
<b>Annual surplus (deficit)</b>	<b>(11,096,502)</b>	<b>1,498,005</b>	<b>4,011,022</b>	<b>601,485</b>	<b>(324,736)</b>	<b>1,203,587</b>	<b>339,615</b>	<b>\$3,767,524</b>

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2023

## 15. Budget figures:

The 2023 approved budget was prepared on a cash-based approach with a reconciliation to a budget based on Public Sector Accounting Standards. The cash-based approach includes capital expenses, repayment of long-term debt and transfers to and from reserves which are removed in the year end Statement of Operations and Municipal Equity. The revenues attributable to these items continue to be included in the Statement of Operations and Municipal Equity, resulting in a significant variance. The following analysis is provided to assist readers in their understanding of differences between the approved budget and the audited financial statements.

	2023	
	Budget	Actual
Revenues	\$ 22,239,395	\$ 21,101,335
Operating expenses	(15,780,737)	(15,962,148)
Capital projects	(6,458,658)	(4,033,775)
Year end surplus, year end budget variance	-	1,105,412
Revenues not included in budget but required under PSAS:		
Reserve fund income	-	6,339
Revenues included in budget but not revenues under PSAS:		
Proceeds of long-term debt	(2,341,783)	(1,391,783)
Transfers from reserves	(481,818)	(458,384)
Prior year end surplus	(291,224)	(319,439)
	(3,114,825)	(2,163,267)
Expenses not included in budget but required under PSAS:		
Change in unfunded asset retirement obligation	-	(120,385)
Proceeds from sale of tangible capital assets	-	-
Write down of tangible capital assets	(3,000)	(105,639)
Amortization	(2,834,312)	(2,832,868)
	(2,837,312)	(3,058,892)
Expenses included in budget but not under expenses under PSAS:		
Acquisition of capital assets	6,458,658	4,033,775
Repayment of long-term debt	1,612,459	1,599,496
Transfer to reserve	369,424	980,629
Increase/(Decrease) in public works inventory	-	64,740
	8,440,541	6,678,640
Annual surplus under PSAS	\$ 2,488,404	\$ 2,561,893

# CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

## Schedule 1: Continuity of Reserves and Reserve Funds

Year ended December 31, 2023, with comparative information for 2022.

	Budget (note 15)	2023	2022
<b>Revenues:</b>			
Investment Income	-	\$ 6,339	\$ 2,458
Net transfers from (to) other funds - Transfers from operations	369,424	980,629	909,793
Transfers for tangible capital assets and operating expenses	(481,818)	(458,383)	(486,115)
<b>Total net transfers</b>	<b>(112,394)</b>	<b>522,246</b>	<b>423,678</b>
Reserves and reserve fund balances, change in year	(112,394)	528,585	426,136
Reserve and reserve fund balances, beginning of year	2,191,043	2,191,041	1,764,905
<b>Reserves and reserve fund balances, end of year</b>	<b>\$2,078,649</b>	<b>\$2,719,626</b>	<b>\$2,191,041</b>

### Composition of Reserves and Reserve Funds

	2023	2022
<b>Reserves set aside for specific purposes by Council:</b>		
Working funds	\$ 803,404	\$ 747,594
Department reserves	376,740	424,212
Committee reserves	12,154	12,154
Payroll/Salary Reserve	228,071	10,636
	<b>1,420,369</b>	<b>1,194,596</b>
<b>For capital purposes:</b>		
Infrastructure reserve	1,089,632	793,160
Paving reserve	82,327	82,327
	<b>1,171,959</b>	<b>875,487</b>
<b>Total reserves</b>	<b>2,592,328</b>	<b>2,070,083</b>
<b>Reserve funds:</b>		
Subdivision development	127,298	120,958
<b>Total reserves and reserve funds</b>	<b>\$2,719,626</b>	<b>\$2,191,041</b>