

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED FINANCIAL STATEMENTS

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CORPORATION OF THE TOWNSHIP OF RAMARA

For The Year Ended December 31, 2023

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Ramara 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 Ramara. 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.

Signed by:

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Mayor

Signed by:

B036A6FD1524414...

Treasurer

June 24, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Ramara

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of Ramara and its local boards (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/(net debt) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the 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
July 9, 2024

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2023

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash	8,240,155	16,079,829
Accounts receivable	1,893,266	3,066,012
Taxes receivable	2,554,151	2,402,095
Land held for sale	1,093,417	1,136,579
Long-term receivables (note 5)	1,454,985	1,553,807
Investments (note 4)	10,021,980	5,000,000
TOTAL FINANCIAL ASSETS	25,257,954	29,238,322
LIABILITIES		
Accounts payable and accrued liabilities	8,163,510	5,348,614
Deferred revenue - obligatory reserve funds (note 6)	5,566,664	5,017,615
Deferred revenue - other (note 3)	340,484	941,128
Long term debt (note 7)	8,471,373	8,826,902
Asset retirement obligation (note 11)	325,919	-
TOTAL LIABILITIES	22,867,950	20,134,259
NET FINANCIAL ASSETS	2,390,004	9,104,063
NON-FINANCIAL ASSETS		
Tangible capital assets (note 9)	69,300,159	58,216,013
Prepaid expenses	476,813	359,748
TOTAL NON-FINANCIAL ASSETS	69,776,972	58,575,761
	72,166,976	67,679,824
Comprised of:		
Accumulated surplus (note 10)	71,644,186	67,679,824
Accumulated remeasurement gains	522,790	-
	72,166,976	67,679,824

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
REVENUES			
Property taxation	15,573,100	15,482,843	14,840,444
User charges	4,968,900	4,541,241	4,910,501
Government of Canada	114,000	27,203	107,993
Province of Ontario	2,318,300	2,500,337	1,428,263
Other municipalities	80,000	27,416	49,603
Penalties and interest on taxes	350,000	353,773	391,632
Investment income	247,100	592,186	340,216
Sale of land and other sales	3,000	251,470	3,576
Capital contributions	5,000	1,947	5,842
Developer contributions earned (note 6)	168,700	-	-
Canada Community-Building Fund earned (note 6)	-	223,900	222,004
Other	256,800	444,746	322,562
TOTAL REVENUES	24,084,900	24,447,062	22,622,636
EXPENSES			
General government	3,031,862	3,134,483	2,984,088
Protection services	4,635,369	4,618,048	4,351,814
Transportation services	5,840,949	6,044,339	6,016,150
Environmental services	3,471,149	3,697,941	3,713,509
Health services	107,178	202,348	122,008
Recreation and cultural services	1,844,719	2,049,158	1,549,716
Planning and development	596,400	736,383	1,180,768
TOTAL EXPENSES	19,527,626	20,482,700	19,918,053
ANNUAL SURPLUS	<u>4,557,274</u>	3,964,362	2,704,583
ACCUMULATED SURPLUS - beginning of year		67,679,824	64,975,241
ACCUMULATED SURPLUS - end of year		71,644,186	67,679,824

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended December 31, 2023

	Actual 2023 \$	Actual 2022 \$
ACCUMULATED REMEASUREMENT GAINS AND LOSSES		
- beginning of year	-	-
Adjustment on adoption of the financial instruments standard (note 2)	107,170	-
	107,170	-
Unrealized gains attributable to: Principal protected notes	415,620	-
Net change in remeasurement gains (losses) for the year	415,620	-
ACCUMULATED REMEASUREMENT GAINS AND LOSSES		
- end of year	522,790	-

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)

For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
ANNUAL SURPLUS	4,557,274	3,964,362	2,704,583
Amortization of tangible capital assets	2,656,226	2,987,338	2,656,226
Purchase of tangible capital assets	(16,673,500)	(13,978,350)	(5,143,062)
Loss/(gain) on disposal of tangible capital assets	-	176,811	(23,658)
Proceeds on sale of tangible capital assets	-	40,750	67,903
Change in prepaid expenses	-	(117,065)	(45,596)
CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)	(9,460,000)	(6,926,154)	216,396
NET FINANCIAL ASSETS - beginning of year	9,104,063	9,104,063	8,887,667
ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD (note 2)	-	(310,695)	-
ADJUSTMENT ON ADOPTION OF THE FINANCIAL INSTRUMENTS STANDARD (note 2)	-	107,170	-
NET FINANCIAL ASSETS - beginning of year, as restated	9,104,063	8,900,538	8,887,667
INCREASE IN ACCUMULATED REMEASUREMENT GAINS	-	415,620	-
NET FINANCIAL ASSETS/(NET DEBT) - end of year	(355,937)	2,390,004	9,104,063

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

	2023	2022
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	3,964,362	2,704,583
Items not involving cash		
Amortization of tangible capital assets	2,987,338	2,656,226
Loss/(gain) on disposal of tangible capital assets	176,811	(23,658)
Accretion expense	15,224	-
Change in non-cash assets and liabilities		
Accounts receivable	1,172,746	(727,473)
Taxes receivable	(152,056)	(273,127)
Land held for sale	43,162	(642,751)
Long-term receivables	98,822	85,690
Prepaid expenses	(117,065)	(45,596)
Accounts payable and accrued liabilities	2,814,896	745,269
Deferred revenue - obligatory reserve funds	549,049	510,051
Deferred revenue - other	(600,644)	267,258
Net change in cash from operating activities	10,952,645	5,256,472
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(13,978,350)	(5,143,062)
Proceeds on disposal of tangible capital assets	40,750	67,903
Net change in cash from capital activities	(13,937,600)	(5,075,159)
INVESTING ACTIVITIES		
Purchase of investments	(4,499,190)	-
FINANCING ACTIVITIES		
Debt principal repayments	(355,529)	(340,265)
NET CHANGE IN CASH	(7,839,674)	(158,952)
CASH - beginning of year	16,079,829	16,238,781
CASH - end of year	8,240,155	16,079,829

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

The Township of Ramara 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 Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. 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:

- Ramara Township Public Library Board
- Lagoon City Parks & Waterways

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	10-40 years
Buildings and structures	20-60 years
Furniture and office equipment	4-10 years
Machinery and equipment	5-30 years
Vehicles	8-20 years
Roads and bridges	20-50 years
Water and sewer	10-90 years
Parks and waterways	10-50 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 RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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.

Taxation

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

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

Government Funding

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

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

Sale of land and other sales are recognized as revenue when the transactions are legally completed.

Capital contributions are earned as amounts are billed to residents.

(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 RAMARA

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) 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
Taxes receivable	Amortized Cost
Long-term receivables	Amortized Cost
Investments	Fair Value
Accounts payable and accrued liabilities	Amortized Cost
Long term debt	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 RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) 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.

A liability for the removal of asbestos in several of the buildings owned by the Township has been recognized based on estimated future expenses for remediation or disposal.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense and any amounts paid. The recognition of a 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 depreciation accounting policies outlined in (c).

(i) 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; 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.

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

2. 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 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 Township's consolidated 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.

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, 2023:

- An increase of \$107,170 to investments and an increase of \$107,170 to accumulated remeasurement gains/(losses) due to the unrealized gain of the Township's investments previously recorded at cost.

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:

Asbestos Obligation

- An increase of \$310,695 to the buildings tangible capital asset account and a corresponding increase to the opening asset retirement obligation liability.

CORPORATION OF THE TOWNSHIP OF RAMARA

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

3. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2023	2022
	\$	\$
Deposits on land sales	184,150	184,150
Provincial - OCIF	42,220	528,068
Provincial - Safe Restart	-	73,985
Provincial - Modernization	-	45,500
Provincial - OCLIF	27,717	27,717
Federal - Accessibility	72,476	72,476
Other	13,921	9,232
	<u>340,484</u>	<u>941,128</u>

The continuity of deferred revenue - other is as follows:

	2023	2022
	\$	\$
Balance - beginning of year	941,128	673,870
Add amounts received:		
Provincial - OCIF	444,356	513,080
Deposits on land sales	-	10,000
Interest	42,220	10,325
Other	4,689	-
	<u>491,265</u>	<u>533,405</u>
Less transfer to operations:		
Provincial - OCIF	972,424	199,947
Provincial - Safe Restart	73,985	57,700
Provincial - Modernization	45,500	-
Other	-	8,500
	<u>1,091,909</u>	<u>266,147</u>
Balance - end of year	<u>340,484</u>	<u>941,128</u>

4. INVESTMENTS

Investments consist of three CIBC principal protected notes with principal balances of \$2,000,000, \$4,500,000 and \$3,000,000 with respective due dates of July 29, 2024, July 28, 2025 and July 29, 2027. The investments are recorded at fair value in 2023 and were recorded at cost at December 31, 2022.

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

5. LONG-TERM RECEIVABLES

Long-term receivables consist of the following:

	2023	2022
	\$	\$
Brechin sewer assessment	1,398,371	1,489,536
Bayview Drive watermain extension	56,614	64,271
	1,454,985	1,553,807

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
	\$	\$
Development charges	3,398,126	3,042,711
Parkland	182,795	169,109
Canada Community-Building Fund	1,985,743	1,805,795
	5,566,664	5,017,615

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

	2023	2022
	\$	\$
Balance - beginning of year	5,017,615	4,507,564
Add amounts received:		
Development charges	206,321	338,524
Parkland	5,400	7,700
Canada Community-Building Fund	313,997	300,913
Interest	247,231	84,918
	772,949	732,055
Less transfer to operations:		
Canada Community-Building Fund earned	223,900	222,004
Balance - end of year	5,566,664	5,017,615

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

7. LONG TERM DEBT

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

	2023 \$	2022 \$
Debenture issued to the Ontario Infrastructure Projects Corporation repayable in semi-annual blended instalments of \$188,261, interest at 5.91% per annum, due December 1, 2038	3,711,561	3,862,027
Debenture issued to the Ontario Infrastructure Projects Corporation repayable in semi-annual blended instalments of \$81,659, interest at 2.8% per annum, due August 3, 2038	1,989,194	2,094,596
Debenture issued to the Ontario Infrastructure Projects Corporation repayable in semi-annual blended instalments of \$106,600, interest at 3.99% per annum, due May 1, 2042	2,770,618	2,870,279
	8,471,373	8,826,902

- (b) The long term debt in (a) issued in the name of the Township have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (c) The Township acts as a collection agency for the Province of Ontario for tile drainage loans for individual ratepayers. The value of these loans outstanding at December 31, 2023 is \$249,465 (2022 - \$171,419). These loans and the related repayments are not reported on the Consolidated Statements of Financial Position, Operations and Accumulated Surplus Change in Net Financial Assets/(Net Debt) and Cash Flows.
- (d) Interest paid during the year on long term debt amounted to \$356,680 (2022 - \$370,405).
- (e) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2024	371,542	381,498	753,040
2025	388,340	364,700	753,040
2026	405,967	347,073	753,040
2027	424,466	328,574	753,040
2028	443,883	309,157	753,040
2029 and subsequent years	6,437,175	1,839,433	8,276,608
	8,471,373	3,570,435	12,041,808

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

8. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$3,500,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2023-19. At December 31, 2023 there was no balance outstanding (2022 - \$Nil).

9. TANGIBLE CAPITAL ASSETS

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

	2023	2022
	\$	\$
General		
Land and land improvements	17,306,712	15,213,128
Buildings and structures	7,349,830	6,366,269
Furniture and office equipment	231,577	250,979
Machinery and equipment	7,629,064	7,118,889
Vehicles	3,538,270	2,826,105
Infrastructure		
Roads and bridges	15,584,788	13,604,261
Water and sewer	10,377,970	10,452,608
Parks and waterways	692,875	541,328
	62,711,086	56,373,567
Assets under construction	6,589,073	1,842,446
	69,300,159	58,216,013

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).

Tangible capital assets allocated by segment are as follows:

	2023	2022
	\$	\$
General government	7,955,398	5,320,234
Protection services	4,711,011	4,316,626
Transportation services	30,104,682	23,430,809
Environmental services	18,266,406	17,836,277
Health services	104,958	125,925
Recreation and cultural services	8,157,704	7,186,142
	69,300,159	58,216,013

CORPORATION OF THE TOWNSHIP OF RAMARA

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

10. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023	2022
	\$	\$
Surplus/(Deficit)		
Sewage works	2,046,098	2,412,983
Brechin sewers	(3,200,248)	(3,200,248)
Equity in land held for sale	423,011	438,994
	(731,139)	(348,271)
Invested In Capital Assets		
Tangible capital assets - net book value	69,300,159	58,216,013
Long term debt related to tangible capital asset acquisition	(7,800,967)	(8,129,318)
Unfunded capital	(167,645)	(167,645)
Unfunded asset retirement obligation	(325,919)	-
	61,005,628	49,919,050
Surplus	60,274,489	49,570,779
Reserves		
Working capital	1,021,670	5,353,634
Contingencies	364,634	364,634
Rate stabilization	812,858	812,858
Municipal projects	560,466	573,442
Mosquito control	45,090	44,599
Goose management	4,239	-
Waterworks	-	705,281
Capital expenditures - Township	7,549,200	8,935,567
Capital expenditures - Library	124,587	95,803
Total Reserves	10,482,744	16,885,818
Reserve Funds		
Equipment and housing	131,297	125,164
Library expansion	47,640	45,415
Lagoon City Parks and Waterway	708,016	1,052,648
Total Reserve Funds	886,953	1,223,227
	71,644,186	67,679,824

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

11. ASSET RETIREMENT OBLIGATION

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

(a) Asbestos obligation

The Township owns and operates 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 and post-removal care of the asbestos in these buildings as estimated at January 1, 2023. The buildings had an estimated useful life of 10 years when they were purchased in 2018, of which 5 years remain. Post-closure care is estimated to extend for up to a year post the closure of the building, while demolition and construction continues. Estimated costs have been discounted to the present value using a discount rate of 2.00% per annum.

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

Asset Retirement Obligation	Asbestos removal \$
Opening balance - January 1, 2023	-
Adjustment on adoption of the asset retirement obligation standard	310,695
Opening balance, as restated	310,695
Accretion expense	15,224
Closing balance	325,919

12. 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	6,790,700	6,954,376	6,333,385
Interest charges	356,600	356,680	370,405
Materials	2,832,700	2,607,837	2,578,451
Contracted services	6,701,400	7,056,342	7,667,011
Rents and financial	2,800	37,753	113,691
External transfers	227,200	221,570	222,542
Amortization	2,656,226	2,987,338	2,656,226
Loss (gain) on disposal of tangible capital assets	(40,000)	176,811	(23,658)
Cost of sale of land	-	83,993	-
	19,527,626	20,482,700	19,918,053

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

13. 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 Township has interest rate exposure on its long term debt. This exposure is low as the long term debt has fixed interest rates and terms.

(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.

(c) Market risk

The Township is exposed to certain market risks including changes in the value of investments.

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

14. PENSION AGREEMENTS

Certain employees of the Township are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

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 \$468,670 (2022 - \$429,494).

15. COMMITMENTS

During 2022, the Township entered into an agreement to contribute \$425,000 toward the installation of fiber optic cabling and wireless towers. The remaining commitment as of December 31, 2023 is \$212,500.

During 2022 and 2023, the Township entered into an agreement for the purchase of a snow plow and a pumper truck which had not been received as at December 31, 2023. The total commitment is \$1,181,461 plus HST.

During 2023, the Township entered into an agreement for the reconstruction of Ramara road 47. The total contract was for \$4,642,869 plus HST. The remaining commitment at December 31, 2023 is \$1,814,978 plus HST.

CORPORATION OF THE TOWNSHIP OF RAMARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

16. 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.

17. SEGMENTED INFORMATION

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

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

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

General Government

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

Protection Services

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

Transportation Services

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

Water and Sewer

This function is responsible for providing water and sewer services to the Township.

Other Environmental Services

This function is responsible for solar operations.

Health Services

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

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and includes the operations of Lagoon City Parks & Waterways and the Ramara Township Public Library.

CORPORATION OF THE TOWNSHIP OF RAMARA

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

17. SEGMENTED INFORMATION, continued

Planning and Development

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

18. 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/(Net Debt). 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.

19. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF SIMCOE

During 2023, requisitions were made by the County of Simcoe 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	4,345,216	7,302,639

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

20. TRUST FUNDS

Trust funds administered by the Township amounting to \$17,707 (2022 - \$16,755) 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.

21. COMPARATIVE FIGURES

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

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2023

	General					Infrastructure			Assets Under Construction	Totals
	Land and Land Improvements	Buildings and Structures	Furniture and Office Equipment	Machinery and Equipment	Vehicles	Roads and bridges	Water and Sewer	Parks and Waterways		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST										
Balance, beginning of year	16,069,936	11,638,301	1,593,351	16,861,289	5,799,199	35,859,368	21,329,421	927,874	1,842,446	111,921,185
Add: additions during the year	2,149,647	1,025,060	50,424	1,173,276	1,133,347	3,082,818	362,160	272,812	4,728,806	13,978,350
Less: disposals during the year	-	-	141,881	255,222	397,282	705,598	1,300	124,361	-	1,625,644
Asset retirement obligation	-	292,874	-	-	-	-	-	-	17,821	310,695
Balance, end of year	18,219,583	12,956,235	1,501,894	17,779,343	6,535,264	38,236,588	21,690,281	1,076,325	6,589,073	124,584,586
ACCUMULATED AMORTIZATION										
Balance, beginning of year	856,808	5,272,032	1,342,372	9,742,400	2,973,094	22,255,107	10,876,813	386,546	-	53,705,172
Add: additions during the year	56,063	334,373	69,826	650,009	356,152	1,048,868	436,798	35,249	-	2,987,338
Less: disposals during the year	-	-	141,881	242,130	332,252	652,175	1,300	38,345	-	1,408,083
Balance, end of year	912,871	5,606,405	1,270,317	10,150,279	2,996,994	22,651,800	11,312,311	383,450	-	55,284,427
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	17,306,712	7,349,830	231,577	7,629,064	3,538,270	15,584,788	10,377,970	692,875	6,589,073	69,300,159

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2023

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	1,299,843	4,284,200	7,440,900	-	-	97,000	2,070,700	290,200	15,482,843
User charges	471,967	567,417	106,359	2,945,907	57,880	226	141,276	250,209	4,541,241
Government transfers - operating	1,179,719	21,312	2,986	-	-	-	84,427	27,242	1,315,686
Government transfers - capital	-	-	1,061,854	-	-	-	150,000	-	1,211,854
Other municipalities	-	20,750	-	-	-	-	6,666	-	27,416
Penalties and interest on taxes	353,773	-	-	-	-	-	-	-	353,773
Investment income	491,961	449	-	48,532	-	-	51,244	-	592,186
Sale of land and other sales	-	-	3,494	-	-	-	-	247,976	251,470
Capital contributions	-	-	-	1,947	-	-	-	-	1,947
Canada Community-Building Fund earned	-	-	223,900	-	-	-	-	-	223,900
Other	2,034	333,656	67,012	-	-	5,926	36,118	-	444,746
Total revenues	3,799,297	5,227,784	8,906,505	2,996,386	57,880	103,152	2,540,431	815,627	24,447,062
Expenses									
Salaries and benefits	2,007,101	1,852,643	1,836,637	111,417	498	-	874,564	271,516	6,954,376
Interest charges	113,540	-	-	243,140	-	-	-	-	356,680
Materials	308,824	340,296	1,371,549	305,436	-	23,776	249,421	8,535	2,607,837
Contracted services	398,778	1,991,601	1,358,936	2,167,123	-	57,605	709,960	372,339	7,056,342
Rents and financial	22,810	549	3,793	195	-	-	10,406	-	37,753
External transfers	44,700	76,870	-	-	-	100,000	-	-	221,570
Amortization	131,530	363,845	1,392,350	868,832	-	20,967	209,814	-	2,987,338
Loss (gain) on disposal of tangible capital assets	-	(7,756)	81,074	1,300	-	-	102,193	-	176,811
Internal transfers	107,200	-	-	-	-	-	(107,200)	-	-
Cost of sale of land	-	-	-	-	-	-	-	83,993	83,993
Total expenses	3,134,483	4,618,048	6,044,339	3,697,443	498	202,348	2,049,158	736,383	20,482,700
Net surplus/(deficit)	664,814	609,736	2,862,166	(701,057)	57,382	(99,196)	491,273	79,244	3,964,362

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2022

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	1,188,989	4,063,633	7,317,198	-	-	99,800	1,937,589	233,235	14,840,444
User charges	499,260	896,390	31,155	2,999,905	65,114	226	102,214	316,237	4,910,501
Government transfers - operating	1,095,900	6,839	94,484	-	-	-	65,853	-	1,263,076
Government transfers - capital	-	-	199,947	-	-	-	73,233	-	273,180
Other municipalities	-	20,815	-	-	-	-	28,788	-	49,603
Penalties and interest on taxes	391,632	-	-	-	-	-	-	-	391,632
Investment income	267,336	40	-	48,660	-	-	24,180	-	340,216
Sale of land and other sales	-	-	3,576	-	-	-	-	-	3,576
Capital contributions	-	-	-	5,842	-	-	-	-	5,842
Canada Community-Building Fund earned	-	-	222,004	-	-	-	-	-	222,004
Other	119,279	146,688	30,359	-	-	5,970	20,266	-	322,562
Total revenues	3,562,396	5,134,405	7,898,723	3,054,407	65,114	105,996	2,252,123	549,472	22,622,636
Expenses									
Salaries and benefits	1,700,174	1,633,582	1,748,166	188,624	-	-	781,206	281,633	6,333,385
Interest charges	117,400	-	-	253,005	-	-	-	-	370,405
Materials	277,272	285,099	1,426,289	307,942	-	32,793	231,904	17,152	2,578,451
Contracted services	554,255	2,048,180	1,614,467	2,191,419	-	14,137	382,570	861,983	7,667,011
Rents and financial	113,117	549	-	-	-	-	25	-	113,691
External transfers	27,200	75,342	-	-	-	100,000	-	20,000	222,542
Amortization	133,162	313,769	1,248,749	769,949	-	4,078	186,519	-	2,656,226
Loss (gain) on disposal of tangible capital assets	-	(4,707)	(21,521)	2,570	-	-	-	-	(23,658)
Internal transfers	61,508	-	-	-	-	(29,000)	(32,508)	-	-
Total expenses	2,984,088	4,351,814	6,016,150	3,713,509	-	122,008	1,549,716	1,180,768	19,918,053
Net surplus/(deficit)	578,308	782,591	1,882,573	(659,102)	65,114	(16,012)	702,407	(631,296)	2,704,583

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Ramara

Opinion

We have audited the financial statements of the Trust Fund of the Corporation of the Township of Ramara (the Trust Fund), 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 accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2023, and the continuity of the Trust Fund for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 9, 2024

CORPORATION OF THE TOWNSHIP OF RAMARA

TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2023

	2023 Cemetery Care and Maintenance \$	2022 Cemetery Care and Maintenance \$
FINANCIAL ASSETS		
Investment (note 2)	17,707	16,755
FUND BALANCE	17,707	16,755

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

	2023 Cemetery Care and Maintenance \$	2022 Cemetery Care and Maintenance \$
BALANCE - beginning of year	16,755	16,443
RECEIPTS		
Capital dividends	224	312
Investment value adjustment	728	-
	952	312
BALANCE - end of year	17,707	16,755

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

TRUST FUND NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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. INVESTMENT

The trust's investment consists of a mutual fund with Scotia Partners Income Portfolio, recorded at fair value.

3. CARE AND MAINTENANCE FUNDS

The figures reported for the cemetery care and maintenance represent the trust fund activities for the Sebright Cemetery.

The Care and Maintenance Funds administered by the Township are funded by the sale of cemetery plots and markers. These funds are invested and earnings derived there from are used to perform care and maintenance for the Township's cemeteries. 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 RAMARA
RAMARA TOWNSHIP PUBLIC LIBRARY BOARD
FINANCIAL STATEMENTS
DECEMBER 31, 2023**

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of the Ramara Township Public Library Board, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Ramara

We have reviewed the accompanying financial statements of the Ramara Township Public Library Board of the Corporation of the Township of Ramara (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.

Basis for Qualified Conclusion

In common with many Public Library Boards, the Board derives revenue from donations, fees and other, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purposes of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to donations, fees and other revenue, annual surplus/(deficit) and cash flows from operations for the years ended December 31, 2023 and 2022 and assets and accumulated surplus as at December 31, 2023 and 2022. Our opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this scope limitation.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Board as at December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 9, 2024

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2023

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash	211,040	232,870
Accounts receivable	3,502	3,071
TOTAL FINANCIAL ASSETS	214,542	235,941
LIABILITIES		
Accounts payable	117	-
Due to the Township of Ramara (note 4)	42,923	94,723
TOTAL LIABILITIES	43,040	94,723
NET FINANCIAL ASSETS	171,502	141,218
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	75,445	77,733
Prepaid expenses	725	-
TOTAL NON-FINANCIAL ASSETS	76,170	77,733
ACCUMULATED SURPLUS (note 3)	247,672	218,951

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2023

	Budget 2023 \$ (Note 5)	Actual 2023 \$	Actual 2022 \$
REVENUES			
Township contribution (note 4)	474,900	445,386	437,683
Provincial grants	24,400	24,370	24,370
Federal grant	-	20,340	-
Investment income	1,500	13,094	4,606
Other grants	6,000	6,865	6,064
Donations, fees and other	6,500	11,294	5,276
TOTAL REVENUES	513,300	521,349	477,999
EXPENSES			
Wages and benefits	364,500	370,583	348,846
Rent (note 4)	83,100	54,100	78,000
Administration	15,500	20,722	19,744
Supplies	6,900	6,432	5,297
Memberships	3,600	2,068	3,802
Insurance (note 4)	9,000	9,175	8,693
Telephone	4,100	4,339	3,277
Amortization	25,539	25,209	25,539
TOTAL EXPENSES	512,239	492,628	493,198
ANNUAL SURPLUS/(DEFICIT)	<u>1,061</u>	28,721	(15,199)
ACCUMULATED SURPLUS - beginning of year		218,951	234,150
ACCUMULATED SURPLUS - end of year		247,672	218,951

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2023

	Budget 2023 \$ (Note 5)	Actual 2023 \$	Actual 2022 \$
ANNUAL SURPLUS/(DEFICIT)	1,061	28,721	(15,199)
Amortization of tangible capital assets	25,539	25,209	25,539
Acquisition of tangible capital assets	(31,000)	(22,921)	(15,879)
Change in prepaid expenses	-	(725)	200
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(4,400)	30,284	(5,339)
NET FINANCIAL ASSETS - beginning of year	141,218	141,218	146,557
NET FINANCIAL ASSETS - end of year	136,818	171,502	141,218

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2023

	2023	2022
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	28,721	(15,199)
Items not involving cash		
Amortization of tangible capital assets	25,209	25,539
Change in non-cash assets and liabilities		
Accounts receivable	(431)	5,285
Prepaid expenses	(725)	200
Accounts payable	117	-
Due to the Township of Ramara	(51,800)	37,279
Net change in cash from operating activities	1,091	53,104
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(22,921)	(15,879)
NET CHANGE IN CASH	(21,830)	37,225
CASH - beginning of year	232,870	195,645
CASH - end of year	211,040	232,870

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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.

Donations, fees and other are recognized when the amounts are received.

(b) Use of Estimates

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

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

(c) Tangible Capital Assets

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

Building improvements	20-60 years
Furniture and equipment	5-10 years
Library collection	7 years

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

CORPORATION OF THE TOWNSHIP OF RAMARA

**RAMARA TOWNSHIP PUBLIC LIBRARY BOARD
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 2023**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) 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
Accounts payable	Amortized Cost
Due to the Township of Ramara	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 RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Non-Financial Assets

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

(f) Reserves and Reserve Funds

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

(g) Inter-Entity Transactions

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

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

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

2. TANGIBLE CAPITAL ASSETS

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

	Building Improvements \$	Furniture and Equipment \$	Library Collection \$	2023 Totals \$	2022 Totals \$
COST					
Balance, beginning of year	67,088	134,595	131,148	332,831	316,952
Add: additions during the year	-	6,000	16,921	22,921	15,879
Less: disposals during the year	-	15,417	14,120	29,537	-
Balance, end of year	67,088	125,178	133,949	326,215	332,831
ACCUMULATED AMORTIZATION					
Balance, beginning of year	67,088	112,754	75,256	255,098	229,559
Add: additions during the year	-	6,299	18,910	25,209	25,539
Less: disposals during the year	-	15,417	14,120	29,537	-
Balance, end of year	67,088	103,636	80,046	250,770	255,098
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	-	21,542	53,903	75,445	77,733

CORPORATION OF THE TOWNSHIP OF RAMARA

**RAMARA TOWNSHIP PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2023**

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023	2022
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	75,445	77,733
Reserve		
Future capital expenditures	124,587	95,803
Reserve Fund		
Expansion	47,640	45,415
	247,672	218,951

4. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Ramara.

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:		
Rent	54,100	78,000
Insurance	9,175	8,693
	63,275	86,693

In addition, the following services are provided to the Board by the Township at no cost:

- Accounting and administrative services
- Professional services

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

5. 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 RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

6. 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 liquidity, interest rate, credit or currency risk.

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 adoption of this standard did not have an impact on the Board's financial statements.

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS

FINANCIAL STATEMENTS

DECEMBER 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of the Lagoon City Parks & Waterways, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Ramara

Opinion

We have audited the financial statements of the Lagoon City Parks & Waterways of the Corporation of the Township of Ramara (the Board), which comprise the statement of financial position as at December 31, 2023, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board'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 Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 9, 2024

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS STATEMENT OF FINANCIAL POSITION At December 31, 2023

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash	100	100
Due from the Township of Ramara (note 5)	707,916	1,052,548
NET FINANCIAL ASSETS	708,016	1,052,648
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	1,847,601	1,369,880
ACCUMULATED SURPLUS (note 3)	2,555,617	2,422,528

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
REVENUES			
Levy billed by the Township of Ramara (note 5)	1,072,600	1,074,536	955,995
Interest income	7,000	33,940	18,226
Other	500	3,896	766
TOTAL REVENUES	1,080,100	1,112,372	974,987
EXPENSES			
Wages and benefits (note 5)	175,300	148,556	147,883
General and office	46,300	46,113	45,962
Repairs and maintenance	458,000	569,103	239,977
Insurance (note 5)	28,000	21,637	24,058
Professional fees	22,000	1,841	18,378
Vehicle operating and maintenance	500	-	404
Amortization	81,021	96,951	81,021
Loss on disposal of tangible capital assets	-	95,082	-
TOTAL EXPENSES	811,121	979,283	557,683
ANNUAL SURPLUS	<u>268,979</u>	133,089	417,304
ACCUMULATED SURPLUS - beginning of year		2,422,528	2,005,224
ACCUMULATED SURPLUS - end of year		2,555,617	2,422,528

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
ANNUAL SURPLUS	268,979	133,089	417,304
Amortization of tangible capital assets	81,021	96,951	81,021
Acquisition of tangible capital assets	(787,500)	(669,754)	(430,829)
Loss on disposal of tangible capital assets	-	95,082	-
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(437,500)	(344,632)	67,496
NET FINANCIAL ASSETS - beginning of year	1,052,648	1,052,648	985,152
NET FINANCIAL ASSETS - end of year	615,148	708,016	1,052,648

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS STATEMENT OF CASH FLOWS For the Year Ended December 31, 2023

	2023	2022
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	133,089	417,304
Items not involving cash		
Amortization of tangible capital assets	96,951	81,021
Loss on disposal of tangible capital assets	95,082	-
Change in non-cash assets and liabilities		
Due from the Township of Ramara	344,632	(67,496)
Net change in cash from operating activities	669,754	430,829
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(669,754)	(430,829)
NET CHANGE IN CASH	-	-
CASH - beginning of year	100	100
CASH - end of year	100	100

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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.

The Board recognizes Lagoon City Parks & Waterways Area tax levy revenue annually based on amounts levied by the Township of Ramara.

Interest and other revenue are recorded when the amounts are earned.

(b) Use of Estimates

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

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

(c) Tangible Capital Assets

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

Buildings and structures	25 years
Vehicles	10-15 years
Machinery and equipment	10-20 years
Linear assets	20 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.

(d) 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.

CORPORATION OF THE TOWNSHIP OF RAMARA

**LAGOON CITY PARKS & WATERWAYS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2023**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) 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
Due from the Township of Ramara	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.

(f) Reserve Funds

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

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Inter-Entity Transactions

The Lagoon City Parks & Waterways is a Board of the Township of Ramara and is consolidated with the Township's financial statements.

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

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

2. TANGIBLE CAPITAL ASSETS

The continuity of the Board's tangible capital assets is as follows:

	Buildings and structures \$	Vehicles \$	Machinery and equipment \$	Linear assets \$	Assets under construction \$	2023 Totals \$	2022 Totals \$
COST							
Balance, beginning of year	51,106	55,549	1,236,538	550,745	112,804	2,006,742	1,575,913
Add: additions during the year	-	91,550	404,557	158,383	15,264	669,754	430,829
Less: disposals during the year	-	48,795	-	124,361	-	173,156	-
Balance, end of year	51,106	98,304	1,641,095	584,767	128,068	2,503,340	2,006,742
ACCUMULATED AMORTIZATION							
Balance, beginning of year	51,106	44,567	358,231	182,958	-	636,862	555,841
Add: additions during the year	-	7,495	67,565	21,891	-	96,951	81,021
Less: disposals during the year	-	39,730	-	38,344	-	78,074	-
Balance, end of year	51,106	12,332	425,796	166,505	-	655,739	636,862
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	-	85,972	1,215,299	418,262	128,068	1,847,601	1,369,880

CORPORATION OF THE TOWNSHIP OF RAMARA

**LAGOON CITY PARKS & WATERWAYS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2023**

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023	2022
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	1,847,601	1,369,880
Reserve Fund		
Reserve Fund	708,016	1,052,648
	2,555,617	2,422,528

4. 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 audit.

5. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Ramara. 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:		
Wages and benefits	148,556	147,883
Insurance	21,637	24,058
	170,193	171,941

In addition, the Township provides accounting and administrative services to the Board at no cost. All balances with the Township of Ramara have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

6. CONTINGENT LIABILITIES

The Board, in the course of its operations, is sometimes 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.



CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

7. 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 liquidity, interest rate, credit or currency risk.

8. CHANGE IN ACCOUNTING POLICY

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 adoption of this standard did not have an impact on the Board's financial statements.