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**THE CORPORATION OF THE TOWNSHIP OF PERRY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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**THE CORPORATION OF THE TOWNSHIP OF PERRY**  
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# Independent Auditor's Report

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

## Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Perry as at December 31, 2023, and its results of operations, its changes in its net financial assets, and its 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 these 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 a 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 financial information of the entities or business activities within the Township and the organizations it controls 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.

*Grant Thornton LLP*

North Bay, Canada  
June 19, 2024

Chartered Professional Accountants  
Licensed Public Accountants

**THE CORPORATION OF THE TOWNSHIP OF PERRY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

	2023	2022 (Restated - see Note 2)
<b>FINANCIAL ASSETS</b>		
Cash (Note 5)	\$ 3,083,836	\$ 3,447,427
Investments (Note 6)	176,619	168,798
Taxes receivable (Note 7)	246,521	252,346
Accounts receivable	421,387	1,846,928
Inventory held for resale	6,918	7,395
	<b>3,935,281</b>	<b>5,722,894</b>
<b>LIABILITIES</b>		
Temporary borrowing	-	2,007,491
Accounts payable and accrued liabilities	537,933	1,156,540
Deferred revenue-general (Note 8)	21,309	31,971
Deferred revenue-obligatory reserve funds (Note 9)	66,868	98,664
Long-term debt (Note 10)	1,453,494	531,474
Employee benefits payable (Note 12)	34,556	32,229
Asset retirement obligations (Note 13)	497,277	395,650
	<b>2,611,437</b>	<b>4,254,019</b>
<b>NET FINANCIAL ASSETS</b>	<b>1,323,844</b>	<b>1,468,875</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net (Note 15)	14,250,360	12,914,789
Inventories of supplies	213,743	153,620
Prepaid expenses	21,407	105,720
	<b>14,485,510</b>	<b>13,174,129</b>
<b>ACCUMULATED SURPLUS (Note 16)</b>	<b>\$ 15,809,354</b>	<b>\$ 14,643,004</b>

Contingencies (see Notes 3, 14)

APPROVED ON BEHALF OF COUNCIL:

\_\_\_\_\_ Mayor

The accompanying notes are an integral part of these financial statements

**THE CORPORATION OF THE TOWNSHIP OF PERRY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budget 2023 (see Note 19)	Actual 2023	Actual 2022 (Restated - see Note 2)
<b>REVENUE</b>			
Property taxes	\$ 3,461,218	\$ 3,505,749	\$ 3,378,136
User charges	102,850	102,385	116,979
Government transfers	2,087,265	2,096,855	3,828,345
Gain (loss) on disposal of tangible capital assets	-	19,343	(43,829)
Restructuring net revenue (Note 18)	-	1,331	2,600
Other	422,270	649,488	412,945
<b>TOTAL REVENUE</b>	<b>6,073,603</b>	<b>6,375,151</b>	<b>7,695,176</b>
<b>EXPENSES</b>			
General government	980,423	949,649	879,075
Protection to persons and property	1,135,955	1,116,105	1,021,499
Transportation services	1,495,995	1,336,697	1,304,798
Environmental services	397,020	401,411	347,945
Health services	254,215	248,613	250,828
Social and family services	383,996	383,996	371,598
Recreation and cultural services	644,723	665,491	385,006
Planning and development	120,950	106,839	67,600
<b>TOTAL EXPENSES</b>	<b>5,413,277</b>	<b>5,208,801</b>	<b>4,628,349</b>
<b>ANNUAL SURPLUS (Note 16)</b>	<b>660,326</b>	<b>1,166,350</b>	<b>3,066,827</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>			
As previously reported	14,808,164	14,808,164	11,722,044
Change in accounting policy (Note 2)	(165,160)	(165,160)	(145,867)
<b>AS RESTATED</b>	<b>14,643,004</b>	<b>14,643,004</b>	<b>11,576,177</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 15,303,330</b>	<b>\$ 15,809,354</b>	<b>\$ 14,643,004</b>

The accompanying notes are an integral part of these financial statements

**THE CORPORATION OF THE TOWNSHIP OF PERRY**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budget 2023 <i>(see Note 19)</i>	Actual 2023	Actual 2022 <i>(Restated - see Note 2)</i>
Annual surplus	\$ 660,326	\$ 1,166,350	\$ 3,066,827
Acquisition of tangible capital assets	(2,539,035)	(1,986,889)	(4,948,912)
Contributed tangible capital assets, net	-	(4,219)	(452)
Revaluation of tangible capital assets - ARO	-	(98,333)	-
Amortization of tangible capital assets	747,569	747,569	610,708
(Gain) loss on disposal of tangible capital assets	-	(19,343)	43,829
Proceeds from disposal of tangible capital assets	20,000	25,644	32,181
Change in supplies inventories	-	(60,123)	13,082
Change in prepaid expenses	-	84,313	22,245
<b>Decrease in net financial assets</b>	<b>(1,111,140)</b>	<b>(145,031)</b>	<b>(1,160,492)</b>
<b>Net financial assets, beginning of year</b>			
As previously reported	1,721,783	1,721,783	2,864,817
Change in accounting policy <i>(Note 2)</i>	(252,908)	(252,908)	(235,450)
<b>As restated</b>	<b>1,468,875</b>	<b>1,468,875</b>	<b>2,629,367</b>
<b>Net financial assets, end of year</b>	<b>\$ 357,735</b>	<b>\$ 1,323,844</b>	<b>\$ 1,468,875</b>

The accompanying notes are an integral part of these financial statements

**THE CORPORATION OF THE TOWNSHIP OF PERRY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023	2022 (Restated - see Note 2)
<b>Operating transactions</b>		
Annual surplus	\$ 1,166,350	\$ 3,066,827
Non-cash charges to operations:		
Amortization of tangible capital assets	747,569	610,708
Accretion expense on ARO liability	16,990	17,618
Revaluation of tangible capital assets - ARO	(98,333)	-
Change in ARO liability excluding accretion and settlements	98,159	(10,784)
Contributed tangible capital assets (net)	(4,219)	(452)
(Gain) loss on disposal of tangible capital assets	(19,343)	43,829
Change in employee benefits payable	2,327	(1,531)
	<b>1,909,500</b>	<b>3,726,215</b>
Changes in non-cash items:		
Taxes receivable	5,825	(43,082)
Accounts receivable	1,425,541	(1,346,470)
Inventory held for resale	477	261
Accounts payable and accrued liabilities	(618,607)	767,521
Deferred revenue-general	(10,662)	9,202
Deferred revenue-obligatory reserve funds	(31,796)	(131,750)
Settlement of asset retirement obligations	(13,522)	(15,186)
Inventories of supplies	(60,123)	13,082
Prepaid expenses	84,313	22,245
	<b>781,446</b>	<b>(724,177)</b>
Cash provided by operating transactions	<b>2,690,946</b>	<b>3,002,038</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(1,986,889)	(4,948,912)
Proceeds from disposal of tangible capital assets	25,644	32,181
Cash applied to capital transactions	<b>(1,961,245)</b>	<b>(4,916,731)</b>
<b>Investing transactions</b>		
Change investments	(7,821)	(132,661)
Cash applied to investing transactions	<b>(7,821)</b>	<b>(132,661)</b>
<b>Financing transactions</b>		
Increase (decrease) in temporary borrowing	(2,007,491)	2,007,491
Proceeds from long-term debt	1,000,000	-
Debt principal repayments	(77,980)	(75,897)
Cash provided by (applied to) financing transactions	<b>(1,085,471)</b>	<b>1,931,594</b>
<b>Net change in cash</b>	<b>(363,591)</b>	<b>(115,760)</b>
<b>Cash, beginning of year</b>	<b>3,447,427</b>	<b>3,563,187</b>
<b>Cash, end of year</b>	<b>\$ 3,083,836</b>	<b>\$ 3,447,427</b>
<b>Cash flow supplementary information:</b>		
Cash paid for interest	\$ 82,956	\$ 33,919

The accompanying notes are an integral part of these financial statements



# THE CORPORATION OF THE TOWNSHIP OF PERRY

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

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### MANAGEMENT RESPONSIBILITY

The consolidated financial statements of the Corporation of the Township of Perry (the "Municipality") are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 1. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

### 1. SIGNIFICANT ACCOUNTING POLICIES

Significant aspects of the accounting policies adopted by the Municipality are as follows:

#### (a) Reporting Entity

These consolidated statements reflect the assets, liabilities, revenue, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all committees of Council and the boards, joint boards and municipal enterprises for which Council is politically accountable as follows:

#### (i) Consolidated and proportionally consolidated entities

The following local board is consolidated:

Perry Township Public Library

The following local boards and committees are proportionally consolidated:

Kearney-Perry Joint Waste Management Committee  
Almaguin Community Economic Development

Inter-organizational transactions and balances between these organizations are eliminated.

#### (ii) Non-consolidated entities

The following joint boards are not consolidated:

North Bay Parry Sound District Health Unit  
Parry Sound District Social Services Administration Board  
District of Parry Sound (East) Home for the Aged

#### (iii) Accounting for school board transactions

The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated financial statements.

#### (iv) Trust funds

Trust funds administered by the Municipality are not included in these consolidated financial statements, but are reported separately on the trust funds financial statements.

# THE CORPORATION OF THE TOWNSHIP OF PERRY

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

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (b) Basis of Accounting

##### (i) Accrual basis of accounting

Revenue and expenses are reported on the accrual basis of accounting. Revenue is recognized in the year in which it is earned 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.

##### (ii) Cash

Cash includes cash on hand and balances held at financial institutions.

##### (iii) Investments

Temporary investments are recorded at cost plus accrued interest.

##### (iv) Non-financial assets

Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of municipal services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

#### (a) 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, as well as any asset retirement obligation related to the asset. Tangible capital assets received as donations are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements - 20 years  
Buildings - 50 years  
Machinery, equipment and furniture - 5 to 20 years  
Vehicles - 8 to 20 years  
Roads - 5 to 60 years  
Bridges - 60 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Estimated closure and post-closure expenses for active landfill sites as well as the land occupied by the sites are amortized annually on the basis of capacity used during the year as a percentage of the estimated total capacity of the landfill site.

Interest related to the acquisition of capital assets is not capitalized, but is expensed in the year incurred.

#### (b) Inventories of supplies

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

# THE CORPORATION OF THE TOWNSHIP OF PERRY

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

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (v) Deferred Revenue  
Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the Consolidated Statement of Financial Position. The revenue is reported on the Consolidated Statement of Operations in the year in which it is used for the specific purpose.
- (vi) Reserves and reserve funds  
Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Consolidated Statement of Financial Position.
- (vii) Government transfers  
Government transfers are recognized in the financial statements as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Consolidated Statement of Operations as the stipulation liabilities are settled.
- (viii) Taxation and related revenue  
Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. Property tax billings are prepared by the Municipality based on assessment rolls, supplementary assessment rolls and other assessment adjustments issued by the Municipal Property Assessment Corporation ("MPAC"). Taxation revenue is initially recorded at the time assessment information is received from MPAC and is subsequently adjusted based on management's best estimate of the amount of tax revenue resulting from assessment adjustments that have not yet been received from MPAC. The Municipality is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.
- (ix) Pensions and employee benefits  
The Municipality accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. Sick leave benefits are accrued as the employees render the services necessary to earn the benefits.

# THE CORPORATION OF THE TOWNSHIP OF PERRY

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

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Financial instruments

Financial instruments are classified as either fair value, amortized cost or cost.

Financial instruments classified as fair value are initially recognized at cost and subsequently carried at fair value. Unrealized remeasurement gains and losses are recorded in the Statement of Remeasurement Gains and Losses. Once realized, remeasurement gains and losses are transferred to the Statement of Operations. Financing fees and transaction costs on financial instruments measured at fair value are expensed as incurred. A Statement of Remeasurement Gains and Losses has not been included as there are no matters to report therein.

Financial instruments classified as amortized cost are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. The effective interest rate method allocates interest income or interest expense over the relevant period, based on the effective interest rate. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement, provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the Consolidated Statement of Operations.

The Municipality's financial instruments are measured according to the following methods:

<u>Financial instrument</u>	<u>Measurement method</u>
Cash	Amortized cost
Investments	Amortized cost
Accounts receivable	Amortized cost
Temporary borrowing	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

Financial liabilities (or part of a financial liability) are removed from the statement of financial position when, and only when, they are discharged or cancelled or expire.

## THE CORPORATION OF THE TOWNSHIP OF PERRY

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

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(xi) Asset retirement obligations

A liability for an asset retirement obligation is recognized when, 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 capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recorded at an amount that is the best estimate of the expenditure required to retire a capital asset at the financial statement date. The liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. When an asset retirement obligation is initially recognized, a corresponding asset retirement cost is added to the carrying value of the related capital asset when it is still in productive use. This cost is amortized over the useful life of the capital asset. If the related capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(xii) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Municipality may undertake in the future. Significant accounting estimates include valuation allowances for taxes and accounts receivable, estimated useful lives of tangible capital assets, employee sick leave benefits liability, estimated costs and timing of asset retirement obligations and supplementary taxes. Actual results could differ from these estimates.

# THE CORPORATION OF THE TOWNSHIP OF PERRY

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

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### 2. CHANGE IN ACCOUNTING POLICY - ADOPTION OF NEW ACCOUNTING STANDARDS

On January 1, 2023 the Municipality adopted the following standards concurrently on a prospective basis: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS 3450 *Financial Instruments*. The adoption of these standards had no impact on the opening balances.

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 3041 *Portfolio Investments* and PS 3450 *Financial Instruments*, 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*. This standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.

PS 3041 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. This standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* no longer applies.

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

## THE CORPORATION OF THE TOWNSHIP OF PERRY

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

#### 2. CHANGE IN ACCOUNTING POLICY - ADOPTION OF NEW ACCOUNTING STANDARDS (Continued)

On January 1, 2023 the Municipality adopted PS 3280 *Asset Retirement Obligations (ARO)* on a modified retroactive basis with prior period restatement.

PS 3280 establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. The new standard replaces PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability* under which the asset retirement obligation related to landfill sites had previously been recorded.

As a result of applying PS 3280, the asset retirement obligation and related tangible capital assets have been restated as follows:

	As Previously Reported	Adjustments	As Restated
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>			
Tangible capital assets - net	\$ 12,827,041	\$ 87,748	\$ 12,914,789
Asset retirement obligation liability	142,742	252,908	395,650
Accumulated surplus	14,808,164	(165,160)	14,643,004
<b>CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS</b>			
Total expenses	4,609,056	19,293	4,628,349
Annual surplus	3,086,120	(19,293)	3,066,827
Accumulated surplus, beginning of year	11,722,044	(145,867)	11,576,177
<b>CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS</b>			
Annual surplus	3,086,120	(19,293)	3,066,827
Contributed tangible capital assets, net	(612)	160	(452)
Amortization of tangible capital assets	609,033	1,675	610,708
Decrease in net financial assets	(1,143,034)	(17,458)	(1,160,492)
Net financial assets, beginning of year	2,864,817	(235,450)	2,629,367
Net financial assets, end of year	1,721,783	(252,908)	1,468,875
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>			
Annual surplus	3,086,120	(19,293)	3,066,827
Amortization of tangible capital assets	609,033	1,675	610,708
Accretion expense on ARO liability	-	17,618	17,618
Change in ARO liability excluding accretion and Settlements	(25,810)	15,026	(10,784)
Contributed tangible capital assets, net	(612)	160	(452)
Settlement of asset retirement obligations	-	(15,186)	(15,186)

## THE CORPORATION OF THE TOWNSHIP OF PERRY

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

#### 3. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

Further to Note 1(a)(ii), the following contributions were made by the Municipality to these boards:

	2023	2022
District of Parry Sound Social Services Administration Board	\$ 214,179	\$ 207,868
North Bay Parry Sound District Health Unit	69,028	66,964
District of Parry Sound (East) Home for the Aged	169,817	163,730
	<b>\$ 453,024</b>	<b>\$ 438,562</b>

The Municipality is contingently liable for its share, if any, of the accumulated deficits as at the end of the year for these boards. The Municipality's share of the accumulated surpluses (or deficits) of these boards has not been determined at this time.

The Municipality is also contingently liable for its share, if any, of the long-term liabilities issued by other municipalities for these boards. The Municipality's share of these long-term liabilities has not been determined at this time.

#### 4. TRANSACTIONS ON BEHALF OF OTHERS

(a) During the year, \$876,672 of taxation was levied on behalf of school boards (2022 - \$855,576).

(b) The Municipality administers care and maintenance trust funds totaling \$25,751 (2022 - \$25,119) which are funded by the sale of cemetery interment rights and markers. These funds are invested and earnings derived therefrom are used to perform maintenance at the Municipality's cemeteries. The trust funds are not included in these consolidated financial statements, as they are being held in trust for the benefit of others.

#### 5. CASH

Cash is comprised of:

	2023	2022
Unrestricted cash	\$ 3,016,968	\$ 3,348,763
Restricted cash	66,868	98,664
	<b>\$ 3,083,836</b>	<b>\$ 3,447,427</b>

Federal, Provincial and Municipal legislation restricts how restricted cash related to obligatory reserve funds, reported in Note 9, may be used.

#### 6. INVESTMENTS

Investments are comprised of guaranteed investment certificates, bearing interest at 5.4% and maturing October 28, 2024.



## THE CORPORATION OF THE TOWNSHIP OF PERRY

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

#### 7. TAXES RECEIVABLE

Taxes receivable are comprised of the following:

	2023	2022
Taxes and amounts added for collection purposes-current year	\$ 197,526	\$ 204,029
Penalties and interest-current year	10,948	12,549
Taxes and amounts added for collection purposes-previous year	33,556	30,646
Penalties and interest-previous year	4,697	3,979
Taxes and amounts added for collection purposes-prior years	1,547	2,686
Penalties and interest-prior years	247	457
Valuation allowance	(2,000)	(2,000)
	<b>\$ 246,521</b>	<b>\$ 252,346</b>

#### 8. DEFERRED REVENUE-GENERAL

Details of the deferred revenue reported on the Consolidated Statement of Financial Position are as follows:

	2023	2022
Balance, beginning of year:		
Ontario Cannabis Legalization Implementation Fund	\$ 20,333	\$ 20,333
Other funding	11,638	2,436
	31,971	22,769
Received during the year:		
Other funding	826	11,338
Recognized in revenue during the year	(11,488)	(2,136)
<b>Balance, end of year</b>	<b>\$ 21,309</b>	<b>\$ 31,971</b>
Ontario Cannabis Legalization Implementation Fund	\$ 20,333	\$ 20,333
Other deferred revenue	976	11,638
<b>Balance, end of year</b>	<b>\$ 21,309</b>	<b>\$ 31,971</b>

## THE CORPORATION OF THE TOWNSHIP OF PERRY

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

#### 9. DEFERRED REVENUE-OBLIGATORY RESERVE FUNDS

The Municipality receives payments in lieu of parkland under the Planning Act, building permit revenue under the Building Code Act, development charges under the Development Charges Act and Federal Community-Building funding (previously gas tax) under an agreement with the Association of Municipalities of Ontario. Legislation restricts how these funds may be used, and under certain circumstances, how these funds may be refunded.

In the case of payments in lieu of parkland and building permit revenue, revenue recognition occurs when the Municipality has approved eligible expenditures for public recreation and building department purposes. Development charges are recognized in revenue when the Municipality has approved the expenditures for the capital works for which the development charges were raised. Community-Building revenue recognition occurs when the Municipality has approved the expenditures for eligible operating expenditures and capital works.

Details of the deferred revenue-obligatory reserve funds reported on the Consolidated Statement of Financial Position are as follows:

	2023	2022
Balance, beginning of year:		
Development Charges	\$ 6,763	\$ 6,763
Recreational land (the Planning Act)	20,649	18,388
Building Code Act	71,252	55,178
Community-Building	-	150,085
	98,664	230,414
Received during the year:		
Recreational land (the Planning Act)	28,347	11,900
Building Code Act	180,189	194,479
Community-Building	162,426	155,658
Interest earned	7,281	5,859
	378,243	367,896
Recognized in revenue during the year	(410,039)	(499,646)
<b>Balance, end of year</b>	<b>\$ 66,868</b>	<b>\$ 98,664</b>
Development Charges	\$ 6,763	\$ 6,763
Recreational land (the Planning Act)	44,491	20,649
Building Code Act	15,614	71,252
<b>Balance, end of year</b>	<b>\$ 66,868</b>	<b>\$ 98,664</b>

## THE CORPORATION OF THE TOWNSHIP OF PERRY

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

#### 10. LONG-TERM DEBT

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

	2023	2022
Ontario Infrastructure and Lands Corporation amortizing debenture, due April 2029, repayable in monthly payments of \$7,618 including interest calculated at 2.71%, secured by future Provincial funding	\$ 453,494	\$ 531,474
Ontario Infrastructure and Lands Corporation amortizing debenture, due December 2038, repayable in monthly payments of \$7,856 including interest calculated at 4.90%, secured by future Provincial funding	1,000,000	-
	<b>\$ 1,453,494</b>	<b>\$ 531,474</b>

(b) Future estimated principal and interest payments on the long-term debt are as follows:

	Principal	Interest
2024	\$ 126,421	\$ 59,269
2025	130,940	54,750
2026	135,636	50,054
2027	140,515	45,175
2028	145,587	40,103
2029 onwards	774,395	198,791
	<b>\$ 1,453,494</b>	<b>\$ 448,142</b>

(c) Total charges for the year for long-term debt which are reported in the financial statements are as follows:

	2023	2022
Principal payments	\$ 77,980	\$ 75,897
Interest	17,346	15,350
	<b>\$ 95,326</b>	<b>\$ 91,247</b>

## THE CORPORATION OF THE TOWNSHIP OF PERRY

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

#### 11. FINANCIAL INSTRUMENTS

##### Risks arising from financial instruments and risk management

The Municipality is exposed to various risks through its financial instruments. The Municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the Municipality's financial performance.

##### Credit risk

Credit risk is the risk of financial loss to the Municipality if a debtor fails to honour its contractual obligations. The Municipality is exposed to this risk as a result of its cash, investments and accounts receivable. The carrying amounts of these financial assets on the Consolidated Statement of Financial Position represent the maximum credit risk of the Municipality as at the reporting date.

The Municipality holds its cash and investments with federally regulated chartered banks and a provincially regulated credit union who are insured, respectively, by the Canadian Deposit Insurance Corporation ("CDIC") and the Financial Services Regulatory Authority of Ontario "(FSRA)". The CDIC insurance is up to \$100,000 per deposit account and the FSRA insurance is up to \$250,000 in aggregate.

Accounts receivable are primarily due from other levels of government and municipal ratepayers. Credit risk is mitigated by the financial solvency of the governments, the highly diversified nature of the ratepayer population and the potential for the Municipality to transfer unpaid ratepayer receivables to taxes receivable. The amounts outstanding at year-end were as follows:

<b>2023</b>				
	Current	Past Due	Indeterminate Due Date	TOTAL
Federal	\$ 338,850	\$ -	\$ -	\$ 338,850
Provincial	34,972	-	-	34,972
Other municipalities	11,334	-	-	11,334
Ratepayers - planning-related	-	-	4,645	4,645
Other	31,586	-	-	31,586
<b>Net receivables</b>	<b>\$ 416,742</b>	<b>\$ -</b>	<b>\$ 4,645</b>	<b>\$ 421,387</b>
<b>2022</b>				
	Current	Past Due	Indeterminate Due Date	TOTAL
Federal	\$ 584,531	\$ -	\$ -	\$ 584,531
Provincial	1,226,931	-	-	1,226,931
Other municipalities	11,918	-	-	11,918
Ratepayers - planning-related	-	-	2,405	2,405
Other	21,143	-	-	21,143
<b>Net receivables</b>	<b>\$ 1,844,523</b>	<b>\$ -</b>	<b>\$ 2,405</b>	<b>\$ 1,846,928</b>

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

# THE CORPORATION OF THE TOWNSHIP OF PERRY

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

### 11. FINANCIAL INSTRUMENTS (Continued)

#### Liquidity risk

Liquidity risk is the risk that the Municipality will not be able to meet its financial obligations as they become due. The Municipality is exposed to this risk with respect to its accounts payable and accrued liabilities and long-term debt and was previously exposed with respect to its temporary borrowing. The Municipality maintains sufficient cash balances to meet its obligations, and does not believe it is subject to significant liquidity risk.

The table below sets out the payable dates of the Municipality's accounts payable and accrued liabilities. This includes planning-related accounts which have an indeterminate payable date as they are settled when the related planning application has been finalized. Temporary borrowing was fully repaid in 2023. The long-term debt repayment schedule is disclosed in Note 10.

<b>2023</b>					
	Within 6 months	6 months to 1 year	1 to 5 years	Indeterminate payable date	TOTAL
Accounts payable and accrued liabilities	\$ 293,992	\$ 8,746	\$ 121,532	\$ 113,663	\$ 537,933

<b>2022</b>					
	Within 6 months	6 months to 1 year	1 to 5 years	Indeterminate payable date	TOTAL
Accounts payable and accrued liabilities	\$ 527,309	\$ 409,401	\$ 96,843	\$ 122,987	\$ 1,156,540

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

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk. The Municipality is not exposed to significant currency or equity risk as it does not transact materially in foreign currency or hold equity financial instruments, but it is exposed to interest rate risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Municipality is exposed to interest rate risk on its interest-bearing investments, long-term debt, and in the prior year, its temporary borrowing. Fixed-rate instruments subject the Municipality to a fair value risk while floating-rate instruments subject it to a cash flow risk.

There have been no significant changes from the prior year in exposure to market risk or the policies, procedures and methods used to measure the risk.

### 12. EMPLOYEE BENEFITS PAYABLE

Under the sick leave benefits plan, unused sick leave can accumulate to a prescribed maximum and employees may become entitled to a cash payment when they leave the Municipality's employment. The sick leave benefit liability estimates use of accumulated sick leave prior to retirement as well as lump-sum payments upon retirement, and assumes that both the appropriate discount rate and future salary and wage levels will increase by 2% per annum. The liability for these accumulated days amounted to \$34,556 (2022 - \$32,229) at the end of the year.

# THE CORPORATION OF THE TOWNSHIP OF PERRY

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

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### 13. ASSET RETIREMENT OBLIGATIONS

The Municipality has recorded asset retirement obligations with respect to its landfill closure and post-closure care requirements, which have been defined in accordance with industry standards and include final cover and landscaping of the landfill site, management of groundwater and leachates, and ongoing environmental monitoring and site inspection.

In the past, the Municipality reported its obligations related to landfill closure and post-closure care requirements in accordance with PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability*. Under this standard, estimated expenditures related to the closure and subsequent maintenance of a landfill site were recognized in the financial statements over the operating life of the site.

New standard PS 3280 *Asset Retirement Obligations (ARO)* requires the recognition of the liability in full when the legal obligation arose. The liability is initially recorded at the estimated present value of future cash flows for closure and post-closure costs, and subsequently adjusted as the result of revisions to the estimated cost of the obligation (arising from a change in cost, timing, inflation, discount rate, or change in the legal obligation), for accretion of the discounted liability and for activities that occurred to settle all or part of the obligation. When initially recording this obligation, the estimated present value of future cash flows for closure and post-closure costs for active sites are capitalized to the carrying amount of the associated assets, and amortized over the operating life of the site, in proportion to its utilized capacity. Subsequent revisions to the estimated cost are also capitalized and amortized as part of the asset. When a site becomes inactive, the related assets are derecognized. For both active and inactive sites, accretion of the discounted liability due to the passage of time is recorded as an in-year expense.

The Municipality is currently responsible for two waste disposal sites as follows:

The Township of Perry landfill site stopped accepting waste in 2001 and is now in the monitoring stage. The liability for this site represents the total discounted future cash flows for post-closure care using an estimated long-term borrowing rate of 4.16% (2022 - 4.39%) and inflation rate of 2.6% (2022 - 2.4%). Post-closure care is estimated to be required until 2027 (2022 - 2027).

The Township of Perry and the Town of Kearney jointly operate a landfill site through the Kearney-Perry Joint Waste Management Committee. The liability for this site represents the total discounted future cash flows for closure and post-closure care using an estimated long-term borrowing rate of 4.37% (2022 - 4.71%) and inflation rate of 2.6% (2022 - 2.4%). The estimated remaining capacity of the site is approximately 95,000 (2022 - 94,143) cubic metres, estimated to be filled in 53 years (2022 - 51 years). Post-closure care is estimated to be required for a period of 25 years. The Committee has closure reserves of \$309,382 (2022 \$309,919) to fund this liability.

## THE CORPORATION OF THE TOWNSHIP OF PERRY

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

#### 13. ASSET RETIREMENT OBLIGATIONS (Continued)

In 2023, the Municipality adopted the new standard on a modified retroactive basis, and has restated the amounts previously recorded for the landfill closure and post-closure care liability and associated assets. The continuity of the asset retirement obligation for these sites is shown below:

<b>2023</b>	Perry Share of Joint Waste Site (2023-55.7%; 2022-55.8%)	Perry Site	Total
Balance, beginning of year - as previously reported	\$ 81,556	\$ 61,186	\$ 142,742
Adjustment due to change in accounting policy	252,908	-	252,908
Increase in liability reflecting changes in the estimated cash flows, inflation and discount rate	98,333	425	98,758
Increase in liability due to accretion (the passage of time)	14,304	2,686	16,990
Decrease in liability due to change in Municipal proportionate share	(599)	-	(599)
Decrease in liability due to settlement	-	(13,522)	(13,522)
<b>Balance, end of year</b>	<b>\$ 446,502</b>	<b>\$ 50,775</b>	<b>\$ 497,277</b>

<b>2022</b>	Perry Share of Joint Waste Site (2022-55.8%; 2021-55.9%)	Perry Site	Total
Balance, beginning of year - as previously reported	\$ 90,558	\$ 77,994	\$ 168,552
Adjustment due to change in accounting policy	237,863	-	237,863
Decrease in liability reflecting changes in the estimated cash flows, inflation and discount rate	(8,840)	(4,195)	(13,035)
Increase in liability due to accretion (the passage of time)	15,045	2,573	17,618
Decrease in liability due to change in Municipal proportionate share	(162)	-	(162)
Decrease in liability due to settlement	-	(15,186)	(15,186)
<b>Balance, end of year</b>	<b>\$ 334,464</b>	<b>\$ 61,186</b>	<b>\$ 395,650</b>

#### 14. CONTINGENCIES

The Municipality is involved from time to time in litigation, which arises in the normal course of business. With respect to one outstanding claim, the Municipality believes that insurance coverage is adequate and that no material exposure exists on the eventual settlement of such litigation. Therefore, no provision has been made in the accompanying financial statements.

# THE CORPORATION OF THE TOWNSHIP OF PERRY

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

### 15. TANGIBLE CAPITAL ASSETS

The tangible capital assets of the Municipality by major asset class are outlined below.

<b>2023</b>							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
<b>COST</b>							
Balance, beginning of year	\$ 1,122,653	\$ 4,441,459	\$ 2,108,832	\$ 1,742,510	\$ 12,017,205	\$ 3,601,819	\$ 25,034,478
Additions and betterments	870,493	84,604	438,858	145,105	546,162	-	2,085,222
Contributed assets	3,990	(34)	712	-	-	-	4,668
Disposals and writedowns	(44,138)	(10,881)	(26,787)	(64,268)	(253,243)	-	(399,317)
Transfer between classes	566,545	3,035,274	-	-	-	(3,601,819)	-
<b>BALANCE, END OF YEAR</b>	<b>2,519,543</b>	<b>7,550,422</b>	<b>2,521,615</b>	<b>1,823,347</b>	<b>12,310,124</b>	<b>-</b>	<b>26,725,051</b>
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	282,046	959,976	850,464	792,617	9,234,586	-	12,119,689
Annual amortization	58,963	119,887	150,066	154,105	264,548	-	747,569
Accumulated amortization - contributed assets	528	(11)	(68)	-	-	-	449
Amortization disposals	(41,455)	(7,925)	(26,125)	(64,268)	(253,243)	-	(393,016)
<b>BALANCE, END OF YEAR</b>	<b>300,082</b>	<b>1,071,927</b>	<b>974,337</b>	<b>882,454</b>	<b>9,245,891</b>	<b>-</b>	<b>12,474,691</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 2,219,461</b>	<b>\$ 6,478,495</b>	<b>\$ 1,547,278</b>	<b>\$ 940,893</b>	<b>\$ 3,064,233</b>	<b>\$ -</b>	<b>\$ 14,250,360</b>
<b>2022</b>							
<b>Restated - see Note 2</b>							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
<b>COST</b>							
Balance, beginning of year	\$ 1,106,059	\$ 4,427,415	\$ 2,068,937	\$ 1,600,388	\$ 11,688,529	\$ 118,413	\$ 21,009,741
Additions and betterments	16,244	102,526	196,490	396,322	732,283	3,505,047	4,948,912
Contributed assets	350	(34)	(3)	-	-	-	313
Disposals and writedowns	-	(88,448)	(156,592)	(254,200)	(425,248)	-	(924,488)
Transfer between classes	-	-	-	-	21,641	(21,641)	-
<b>BALANCE, END OF YEAR</b>	<b>1,122,653</b>	<b>4,441,459</b>	<b>2,108,832</b>	<b>1,742,510</b>	<b>12,017,205</b>	<b>3,601,819</b>	<b>25,034,478</b>
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	251,289	909,660	876,592	915,845	9,404,213	-	12,357,599
Annual amortization	30,820	88,445	126,358	127,156	237,929	-	610,708
Accumulated amortization - contributed assets	(63)	(10)	(66)	-	-	-	(139)
Amortization disposals	-	(38,119)	(152,420)	(250,384)	(407,556)	-	(848,479)
<b>BALANCE, END OF YEAR</b>	<b>282,046</b>	<b>959,976</b>	<b>850,464</b>	<b>792,617</b>	<b>9,234,586</b>	<b>-</b>	<b>12,119,689</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 840,607</b>	<b>\$ 3,481,483</b>	<b>\$ 1,258,368</b>	<b>\$ 949,893</b>	<b>\$ 2,782,619</b>	<b>\$ 3,601,819</b>	<b>\$ 12,914,789</b>



# THE CORPORATION OF THE TOWNSHIP OF PERRY

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

### 16. ACCUMULATED SURPLUS

The 2023 continuity of accumulated surplus reported on the Consolidated Statement of Financial Position is as follows:

	Balance Beginning of Year <i>(Restated - Note 2)</i>	Annual Surplus (Deficit)	Balance End of Year
<b>RESERVES AND RESERVE FUNDS</b>			
Working capital	\$ 482,496	\$ 10,000	\$ 492,496
Election	16,734	1,000	17,734
Fire	103,914	20,000	123,914
Roads	1,413,152	179,465	1,592,617
Muskoka Algonquin Health Centre	-	50,690	50,690
Library	20,867	(19,766)	1,101
Replacement of building and equipment	126,294	205,000	331,294
Future Needs	225,615	(115,084)	110,531
Joint Waste Management Committee <i>(2023: 55.7% ; 2022: 55.8%)</i>	247,218	1,627	248,845
	<b>2,636,290</b>	<b>332,932</b>	<b>2,969,222</b>
<b>OTHER</b>			
Consolidated tangible capital assets	12,914,789	1,335,571	14,250,360
General operating surplus -			
Municipality	37,049	530,693	567,742
Joint Waste Management Committee <i>(2023: 55.7% ; 2022: 55.8%)</i>	4,837	(4,837)	-
Almaguin Community Economic Development <i>(2023: 21.3% ; 2022: 11.8%)</i>	9,392	(2,035)	7,357
Unfunded amounts -			
Long-term debt	(531,474)	(922,020)	(1,453,494)
Employee benefits	(32,229)	(2,327)	(34,556)
Asset retirement obligations	(395,650)	(101,627)	(497,277)
	<b>\$ 14,643,004</b>	<b>\$ 1,166,350</b>	<b>\$ 15,809,354</b>

## THE CORPORATION OF THE TOWNSHIP OF PERRY

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

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#### 17. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT

The Municipality and its Boards and Committees provide a wide range of services to its citizens. The schedule of segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Consolidated Statement of Operations by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which include the following activities:

##### General Government

This segment includes Council, Clerk's Department, and Treasury. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues relating to governance, strategic planning and service delivery.

##### Protection to Persons and Property

This segment includes fire, police, building inspection, conservation authority, emergency measures and bylaw enforcement. Police services are provided by the Ontario Provincial Police under contract.

##### Transportation Services

Transportation services include roadway systems and winter control.

##### Environmental Services

This segment includes solid waste management.

##### Health Services

This segment includes cemeteries as well as payments to the district health unit.

##### Social and Family Services

This segment consists primarily of payments made to the district social services administration board and home for the aged for the provision of social services such as childcare, social housing, general assistance and assistance to the elderly.

##### Recreation and Culture

This segment includes parks, recreation programs, recreation facilities and cultural services such as museums.

##### Library

This segment includes the consolidated library transactions of the Municipality and its Library Board.

##### Planning and Development

This segment includes activities related to planning, zoning and economic development.

##### Unallocated Amounts

Items are recorded as unallocated amounts when there is no reasonable basis for allocating them to a segment. Major items included in this category are property taxation and related penalty and interest charges, and unconditional grants such as the Municipality's annual Ontario Municipal Partnership Fund grant.

In the preparation of segmented financial information, some allocation of expenses is made. This generally includes charges of administrative time and office expenses to specific segments.

# THE CORPORATION OF THE TOWNSHIP OF PERRY

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

### 17. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT *(Continued)*

#### FOR THE YEAR ENDED DECEMBER 31, 2023

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Library Services	Planning and Development	Unallocated Amounts	Consolidated
<b>REVENUE</b>											
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,505,749	\$ 3,505,749
User charges	6,147	4,630	-	54,783	-	-	780	545	35,500	-	102,385
Government transfers -											
Canada	-	-	163,073	-	-	-	94,275	42,356	22,366	-	322,070
Ontario	-	9,655	215,700	115,217	-	-	292,407	139,291	11,964	973,700	1,757,934
Other municipalities	-	7,621	1,616	-	-	-	-	-	7,614	-	16,851
Gain (loss) on disposal of capital assets	-	(663)	22,688	-	-	-	(2,682)	-	-	-	19,343
Restructuring net revenue	-	-	-	-	-	-	-	-	1,331	-	1,331
Other	-	274,465	65,793	26,598	1,529	-	30,255	2,196	3,193	245,459	649,488
<b>TOTAL REVENUE</b>	<b>6,147</b>	<b>295,708</b>	<b>468,870</b>	<b>196,598</b>	<b>1,529</b>	<b>-</b>	<b>415,035</b>	<b>184,388</b>	<b>81,968</b>	<b>4,724,908</b>	<b>6,375,151</b>
<b>EXPENSES</b>											
Salaries, wages and benefits	635,771	293,213	448,982	146,069	-	-	128,093	97,552	47,647	-	1,797,327
Long-term debt charges (interest)	-	13,263	-	-	-	-	2,450	1,633	-	-	17,346
Materials	103,084	126,163	427,747	49,434	526	-	171,899	50,578	21,552	-	950,983
Contracted services	168,050	540,523	29,565	172,544	161,762	-	4,516	7,040	26,244	-	1,110,244
Rents and financial expenses	9,489	3,577	1,076	-	-	-	45,886	24,885	11,082	-	95,995
External transfers	1,025	-	-	2,000	85,326	383,996	-	-	-	-	472,347
Interfunctional adjustments	(20,775)	20,775	-	-	-	-	-	-	-	-	-
Amortization	53,005	118,591	429,327	14,374	999	-	87,705	43,254	314	-	747,569
Accretion of ARO liability	-	-	-	16,990	-	-	-	-	-	-	16,990
<b>TOTAL EXPENSES</b>	<b>949,649</b>	<b>1,116,105</b>	<b>1,336,697</b>	<b>401,411</b>	<b>248,613</b>	<b>383,996</b>	<b>440,549</b>	<b>224,942</b>	<b>106,839</b>	<b>-</b>	<b>5,208,801</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (943,502)</b>	<b>\$ (820,397)</b>	<b>\$ (867,827)</b>	<b>\$ (204,813)</b>	<b>\$ (247,084)</b>	<b>\$ (383,996)</b>	<b>\$ (25,514)</b>	<b>\$ (40,554)</b>	<b>\$ (24,871)</b>	<b>\$ 4,724,908</b>	<b>\$ 1,166,350</b>

# THE CORPORATION OF THE TOWNSHIP OF PERRY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023

### 17. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT *(Continued)*

FOR THE YEAR ENDED DECEMBER 31, 2022

*(Restated - see Note 2)*

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Library Services	Planning and Development	Unallocated Amounts	Consolidated
<b>REVENUE</b>											
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,378,136	\$ 3,378,136
User charges	7,532	1,739	-	45,483	-	-	1,040	35	61,150	-	116,979
Government transfers -											
Canada	-	-	309,599	-	-	-	607,209	-	19,749	-	936,557
Ontario	-	17,320	212,620	112,667	-	-	1,576,222	7,933	4,090	952,000	2,882,852
Other municipalities	-	7,344	1,592	-	-	-	-	-	-	-	8,936
Gain (loss) on disposal of capital assets	-	14,338	(11,219)	-	-	-	-	(46,948)	-	-	(43,829)
Restructuring net revenue	-	-	-	-	-	-	-	-	2,600	-	2,600
Other	1,514	182,915	9,294	30,856	340	-	19,243	1,343	3,268	164,172	412,945
<b>TOTAL REVENUE</b>	<b>9,046</b>	<b>223,656</b>	<b>521,886</b>	<b>189,006</b>	<b>340</b>	<b>-</b>	<b>2,203,714</b>	<b>(37,637)</b>	<b>90,857</b>	<b>4,494,308</b>	<b>7,695,176</b>
<b>EXPENSES</b>											
Salaries, wages and benefits	584,858	218,252	452,546	127,522	-	-	123,145	74,301	23,556	-	1,604,180
Long-term debt charges (interest)	-	15,350	-	-	-	-	-	-	-	-	15,350
Materials	110,033	135,390	417,297	40,935	385	-	73,812	21,550	25,000	-	824,402
Contracted services	147,356	535,809	39,176	141,318	178,879	-	2,156	8,270	6,407	-	1,059,371
Rents and financial expenses	3,217	3,507	-	-	-	-	31,186	-	12,470	-	50,380
External transfers	2,025	-	-	2,000	70,717	371,598	-	-	-	-	446,340
Interfunctional adjustments	(24,055)	24,055	-	-	-	-	-	-	-	-	-
Amortization	55,641	89,136	395,779	18,552	847	-	35,530	15,056	167	-	610,708
Accretion of ARO liability	-	-	-	17,618	-	-	-	-	-	-	17,618
<b>TOTAL EXPENSES</b>	<b>879,075</b>	<b>1,021,499</b>	<b>1,304,798</b>	<b>347,945</b>	<b>250,828</b>	<b>371,598</b>	<b>265,829</b>	<b>119,177</b>	<b>67,600</b>	<b>-</b>	<b>4,628,349</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (870,029)</b>	<b>\$ (797,843)</b>	<b>\$ (782,912)</b>	<b>\$ (158,939)</b>	<b>\$ (250,488)</b>	<b>\$ (371,598)</b>	<b>\$ 1,937,885</b>	<b>\$ (156,814)</b>	<b>\$ 23,257</b>	<b>\$ 4,494,308</b>	<b>\$ 3,066,827</b>

# THE CORPORATION OF THE TOWNSHIP OF PERRY

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

### 18. RESTRUCTURING NET REVENUE

In 2019 the Municipality entered into a joint services agreement for Almaguin Community Economic Development ("ACED"). The agreement included the following independent organizations:

- The Corporation of the Township of Perry;
- The Municipal Corporation of the Township of Armour;
- The Corporation of the Township of Ryerson;
- The Corporation of the Village of Sundridge;
- The Almaguin Highlands Chamber of Commerce;
- The Corporation of the Municipality of Magnetawan;
- The Corporation of the Municipality of the Village of Burk's Falls;
- The Corporation of the Township of Strong;
- The Corporation of the Village of South River;
- The Corporation of the Municipality of Powassan;
- The Corporation of the Township of Joly.

The Corporation of the Township of Ryerson withdrew from the agreement effective December 31, 2023, and the Municipality of Magnetawan and the Municipality of Powassan withdrew in 2022. The assets, liabilities and surplus at the time of withdrawal were retained by ACED.

The Municipality recorded net revenue of \$1,331 (2022 - \$2,600) as a result of this restructuring. The value of the tangible assets received is recorded as a contributed asset in Note 15.

### 19. BUDGET FIGURES

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. For unbudgeted items (amortization of tangible capital assets and asset retirement obligation accretion), the actual amounts for 2023 were used to adjust the reported budgeted amounts. A reconciliation of the adopted and reported budgets is presented below.

	Budget
<b>ADOPTED BUDGET:</b>	
Decrease in general municipal operating surplus	\$ (37,049)
Decrease in Almaguin Community Economic Development operating surplus	(7,456)
Decrease in Joint Waste Management Committee operating surplus	(4,832)
Decrease in consolidated reserves and reserve funds	(93,470)
<b>ADJUSTMENTS:</b>	
Acquisition of tangible capital assets	2,539,035
Amortization of tangible capital assets	(747,569)
Proceeds from disposal of capital assets	(20,000)
Accretion of asset retirement obligations	(17,001)
Settlement of asset retirement obligations	61,373
Increase in long-term debt	(1,012,705)
<b>ANNUAL SURPLUS</b>	<b>\$ 660,326</b>

## THE CORPORATION OF THE TOWNSHIP OF PERRY

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

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#### 20. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2023. The results of this valuation disclosed total actuarial liabilities of \$136,185 million with respect to benefits accrued for service with actuarial assets at that date of \$131,983 million indicating an actuarial deficit of \$4,202 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2023 was \$126,189 (2022 - \$108,702) for current service. These contributions are included as an expense on the Consolidated Statement of Operations.

#### 21. COMPARATIVE FIGURES

Certain prior year figures presented for comparative purposes have been reclassified to conform with the basis of presentation adopted for the current year.