

**THE CORPORATION OF THE
TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

CONTENTS	Page
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations	4
Consolidated Statement of Changes in Net Financial Assets	5
Consolidated Statement of Cash Flows	6
Summary of Significant Accounting Policies	7-10
Notes to the Consolidated Financial Statements	11-20
TRUST FUNDS	
INDEPENDENT AUDITOR'S REPORT	21-22
Statement of Financial Position	23
Statement of Continuity	24
Summary of Significant Accounting Policies	25
CEMETERY BOARD	26-27
INDEPENDENT AUDITORS' REPORT	
Statement of Operations	28
Summary of Significant Accounting Policies	29



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INDEPENDENT AUDITORS' REPORT

To the **Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Macdonald, Meredith and Aberdeen Additional**

Qualified Opinion

We have audited the accompanying financial statements of the **Corporation of the Township of Macdonald, Meredith and Aberdeen Additional (the "Township")**, which comprise:

- the consolidated statement of financial position as at **December 31, 2022**
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets (net debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, except for the effect of adjustments, if any as explained in the Basis of Qualified Opinion Paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the **Township as at December 31, 2022**, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The **Corporation of the Township of Macdonald, Meredith and Aberdeen Additional** derives revenue from recreation cash receipts, miscellaneous sales and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our examination of this revenue was limited to the amount recorded in the records of the **Township** and we were not able to determine whether any adjustments might be necessary to recreation revenue, miscellaneous sales, assets, liabilities and accumulated surplus balances. Our audit opinion on the consolidated financial statements for the year ended **December 31, 2021** was modified accordingly because of the possible effects of this departure from Canadian public sector accounting standards.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the 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 financial statements in Canada and we have fulfilled our other 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 qualified 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 **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.



Auditors' Responsibility 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 auditors' 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 the 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 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 auditors' 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Canada
July 18, 2023

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
 MEREDITH AND ABERDEEN ADDITIONAL
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31,**

2022 2021

FINANCIAL ASSETS

Cash and temporary investments	\$ 6,345,980	\$ 5,850,731
Taxes receivable (allowance for doubtful \$40,000)	218,716	228,834
Accounts receivable (HST \$47,791)	258,207	251,587
	<u>\$ 6,822,903</u>	<u>\$ 6,331,152</u>

FINANCIAL LIABILITIES

Accounts payable and accrued liabilities	\$ 334,744	\$ 298,915
Other liabilities (note 8)	306,193	11,359
Landfill site closure and post closure liabilities (note 10)	87,607	193,889
	<u>728,544</u>	<u>504,163</u>

NET FINANCIAL ASSETS	<u>6,094,359</u>	<u>5,826,989</u>
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NON - FINANCIAL ASSETS

Tangible capital assets (note 11)	13,670,971	13,651,346
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ACCUMULATED SURPLUS (note 7)	<u>\$19,765,330</u>	<u>\$19,478,335</u>
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Commitment (note 6)

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

_____ CAO

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
CONSOLIDATED STATEMENT OF OPERATIONS**

YEAR ENDED DECEMBER 31, (with comparative figures for the prior year)	Budget (Unaudited) 2022	Actual 2022	Actual 2021
Revenues			
Taxation, net	\$ 2,385,000	\$ 2,383,979	\$ 2,347,058
Government of Canada	111,301	123,705	321,663
Province of Ontario	1,451,503	1,017,233	863,138
Penalties and interest	40,000	48,475	49,787
Investment income	29,900	69,875	56,372
User charges and other	433,000	582,118	366,108
Other municipalities	65,425	65,425	73,843
	4,516,129	4,290,810	4,077,969
Expenditures			
General government	918,326	957,427	608,547
Protection to persons and property	420,117	418,043	414,347
Transportation services	953,800	961,926	874,955
Environmental services	482,097	561,100	663,416
Health services	99,833	95,459	88,773
Social and family services	550,250	550,250	547,454
Recreation and cultural services	418,800	447,629	412,617
Planning and development	16,000	11,981	7,428
	3,859,223	4,003,815	3,617,537
Annual surplus	656,906	286,995	460,432
Accumulated Surplus, beginning of year	19,478,335	19,478,335	19,017,903
Accumulated Surplus, end of year (note 7)	\$20,135,241	\$19,765,330	\$19,478,335

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL**

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

YEAR ENDED DECEMBER 31,	Budget (Unaudited)	2022	2021
Annual Surplus	\$ 656,906	\$ 286,995	\$ 460,432
Acquisition of Tangible Capital Assets	(1,112,200)	(824,080)	(1,149,467)
Amortization of Tangible Capital Assets	-	804,455	784,947
(Gain) loss on disposal of Tangible Capital Assets	-	-	(6,671)
Proceeds on Sale Tangible Capital Assets	-	-	6,671
Change in Net Financial Assets	(455,294)	267,370	95,912
Net Financial Assets, Beginning of Year	5,826,989	5,826,989	5,731,077
Net Financial Assets, End of Year	\$ 5,371,695	\$ 6,094,359	\$ 5,826,989

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL**

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31,	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual Surplus	\$ 286,995	\$ 460,432
Annual amortization	804,455	784,947
(Gain) Loss on Tangible Capital Assets	-	(6,671)
Uses:		
Increase in taxes receivable	-	(6,121)
Increase in accounts receivable	(6,620)	(104,814)
Decrease in landfill liabilities	(106,282)	(31,350)
Decrease in other current liabilities	-	(22,883)
	(112,902)	(165,168)
Sources:		
Decrease in taxes receivable	10,118	-
Increase in accounts payable and accrued liabilities	35,829	134,108
Increase in other current liabilities	294,834	-
	340,781	134,108
Net increase in cash from operating activities	1,319,329	1,207,648
CASH FLOWS FROM CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(824,080)	(1,149,467)
Proceeds on disposal	-	6,671
	(824,080)	(1,142,796)
Net increase in cash and equivalents	495,249	64,852
Cash and cash equivalents, beginning of year	5,850,731	5,785,879
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 6,345,980	\$ 5,850,731

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DECEMBER 31, 2022

The Corporation of the Township of Macdonald, Meredith and Aberdeen Additional ("the Township") is a municipality in the Province of Ontario, Canada. The Township conducts its operations in accordance with the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

MANAGEMENT RESPONSIBILITY

The consolidated financial statements of the Corporation of the Township of Macdonald, Meredith and Aberdeen Additional are the representation of management, prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependant upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment.

REPORTING ENTITY

These consolidated statements reflect the assets, liabilities, operating revenues and expenditures, reserve funds and reserves and tangible capital assets of Macdonald, Meredith and Aberdeen Additional. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of the financial affairs and resources of the Township, and which are owned or controlled by Macdonald, Meredith and Aberdeen Additional.

All material inter-entity transactions and balances are eliminated on consolidation.

NON-CONSOLIDATED ENTITIES

The following local boards, joint local boards and municipal enterprises are not consolidated:

Algoma Health Unit
Algoma District Services Administration Board
Algoma District School Board
Huron Superior Catholic District School Board
Conseil Scolaire Du District Du Grand Nord De L'Ontario
Le Conseil Scolaire Catholique Du Nouvel Ontario

ACCOUNTING FOR SCHOOL BOARD TRANSACTIONS

The taxation, other revenue, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements except to record any resulting receivable or payable balance with the Township.

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DECEMBER 31, 2022

TRUST FUNDS

Trust funds and their related operations administered by the Township are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Statement of Financial Position."

BASIS OF ACCOUNTING - ACCRUAL ACCOUNTING

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become earned and measurable. Expenditures 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.

NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge liabilities but are held for use in the provision of services. The useful lives of such assets extend beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the net revenue (expenditure), provides the Change in Net Financial Assets for the year.

TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost, and include all amounts that are directly attributable to the acquisition, construction, development or betterment of an asset. The cost less residual value of all tangible capital assets are amortized on a straight-line basis over their useful lives as follows:

	<u>Useful Life - Years</u>
General (Non Linear) assets	
Land improvements	10-25
Buildings and building components	25-50
Vehicles and equipment	7-20
Technology, Machinery and equipment	3-25
Infrastructure (Linear) assets	
- Road bases	50
- Road paved surface and treated surface	10-50
- Sewer and water mains	10-50
- Bridges and structures	50
- Fixtures and equipment	7-12

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DECEMBER 31, 2022

TANGIBLE CAPITAL ASSETS(CONT'D)

Assets are amortized in the month following the purchase or in-service date. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

Macdonald, Meredith and Aberdeen Additional has a capitalization threshold of \$10,000 for all categories of tangible capital assets. Individual assets below the threshold are expensed, unless they are pooled, because collectively, they have significant value. The Township's threshold for pooled assets is \$10,000.

Contributions of tangible capital assets are recorded a fair value at the date of receipt and that fair value is also recorded as revenue.

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

INVENTORIES

Inventories held for consumption are recorded at the lower of cost and net realizable value.

SURPLUS LAND

The carrying value of surplus land is based on the purchase and development costs and does not reflect any gain that may arise if the land sells for more than the carrying value.

DEFERRED REVENUE

Deferred revenues represent user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed. From time to time the Township receives development charges under the authority of provincial legislation and Township by-laws.

RESERVE AND RESERVE FUNDS

Amounts that are approved by the Township Council are set aside for reserves and reserve funds for future operating and capital purposes. Transfer to/from reserves and reserve funds are an adjustment to the respective fund when approved.

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DECEMBER 31, 2022

GOVERNMENT GRANTS AND TRANSFERS

Government transfers include entitlements, transfers under shared cost agreements, and grants. Revenue is recognized for unconditional entitlements and grants in the period received or receivable. Revenue is recognized for any conditional entitlements and grants in the period of the associated expenditure is incurred. Revenue is recognized for transfers under shared service agreements in the period the costs are incurred.

BUDGET FIGURES

Budget figures have been reclassified for the purpose of financial statements to comply with PSAB reporting requirements. The approved operating budget and capital budgets are reflected on the Consolidated Statement of Operations and are unaudited. The budgets established for capital investment in tangible capital assets are on a projected-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 expenditures.

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2022

1. BUDGET RECONCILIATION

The authority of Council is required before monies can be spent by the Township. Approvals are given in the form of an annually approved budget. The budget approved by Council differs from the budget in the Consolidated Statement of Operations as a result of numerous factors and material changes due to PSAB reporting requirements.

	Revenues 2022	Expenditures 2022
Council approved budget		
Operating fund	\$ 4,516,129	\$ 3,859,223
Reserves and Reserve funds	<u>565,294</u>	<u>110,000</u>
	5,081,423	3,969,223
Capital Budget	<u>-</u>	<u>1,112,200</u>
Total Approved by Council	5,081,423	5,081,423
Less Reserves and Reserve funds	(565,294)	(110,000)
Less Tangible Capital Assets Capitalized	-	(1,112,200)
Plus: Budgeted amortization expense	<u>NIL</u>	<u>NIL</u>
Budget per Consolidated Statement of Operations	<u>\$ 4,516,129</u>	<u>\$ 3,859,223</u>

2. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

The following contributions were made by the Township to these boards:

	2022	2021
Algoma Health Unit	\$ 64,733	\$ 58,848
Algoma District Social Services Administration Board	550,250	547,454
	<u>\$ 614,983</u>	<u>\$ 606,302</u>

The Township is contingently liable for its share of any accumulated deficits of the above boards as well as long term liabilities issued by other Municipalities for these boards.

3. TRUST FUNDS

Trust funds administrated by the Township amounting to \$ 133,784 (2021 - \$ 129,094) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations".

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2022

4. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its eight full-time 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 the length of service and rates of pay.

Each year an independent actuary determines the funding status of the (OMERS) Primary Pension Plan by comparing the actuarial value of the 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 on December 31, 2022. The results of this valuation disclosed total actuarial liabilities of \$128.8 billion in respect of benefits accrued for service with actuarial net assets at that date of \$122.1 billion indicating an actuarial deficit of \$6.7 billion. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are the joint responsibility of the Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed to OMERS on behalf of the employees was \$62,884 and total employee and employer contributions was \$125,768 (2021 - \$59,074 and total employee and employer contributions - \$118,148) for the current year service and is included as an expenditure on the Consolidated Statement of Operations.

5. LIABILITY FOR SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Municipality's employment.

The liability for these accumulated days, to the extent that they could be taken in cash by an employee upon terminating, amounted to \$ 170,385 (2021 - \$ 181,577).

A reserve has been established to provide for this past service liability and is reported on the Consolidated Statement of Financial Position.

6. COMMITMENT

The Township has entered into a management service agreement with the Ontario Clean Water Agency (OCWA) to operate and maintain the Township's water treatment plant, distribution system and waste water system. The agreement is for a 4 year and 10 month period ending December 31, 2026, at an annual cost as follows:

January 1, 2023 to December 31, 2023	\$126,375
January 1, 2024 to December 31, 2024	\$128,902
January 1, 2025 to December 31, 2025	\$131,480
January 1, 2026 to December 31, 2026	\$134,111

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2022

7. ACCUMULATED SURPLUS

The accumulated surplus of individual fund surplus and reserve and reserve funds, \$19,765,330 (2021 - \$19,478,335) respectively are made up of the following:

	2022	2021
Surplus		
Invested in Tangible Capital Assets	\$13,670,971	\$13,651,346
Landfill liability	(87,607)	(193,889)
	13,583,364	13,457,457
For benefiting land owners related to street lighting areas	(2,081)	(2,081)
Reserves set aside for specific purposes by Council		
- for working capital	4,789,887	4,732,607
- for sick leave	41,440	41,440
- landfill	90,000	80,000
- transportation	216,503	191,503
- water and sewer	5,000	5,000
- water and sewer - capital	176,168	151,168
- cemetery	82,000	72,000
- administration	90,000	80,000
- recreation	179,273	169,273
- fire	275,000	250,000
	5,945,271	5,772,991
Reserve funds set aside for specific purpose by Council		
- fire - capital	68,391	68,391
- for sick leave	170,385	181,577
	238,776	249,968
Accumulated Surplus	\$19,765,330	\$19,478,335

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2022

8. DEFERRED REVENUE:

	2022	2021
Other	\$ 75,571	\$ 611
Federal Gas Tax	-	10,748
Ontario Community Infrastructure Fund	70,464	-
Northern Ontario Resource Development Support Fund	160,158	-
	\$ 306,193	\$ 11,359

DEFERRED REVENUE CONTINUITY

	2022	2021
Balance, beginning of year:	\$ 11,359	\$ 34,242
Contributions	305,622	10,748
	316,981	44,990
Contributions used	10,788	33,631
Balance, end of year	\$ 306,193	\$ 11,359

9. TAXATION AND OPERATIONS OF SCHOOL BOARDS

During 2022, the Municipality collected and transferred property taxes in the amount of \$291,375 (2021 - \$295,893).

10. LANDFILL SITE CLOSURE AND POST CLOSURE LIABILITY

The Township owns and operates one landfill site. The consolidated statement of financial position now reflects a liability for anticipated future costs related to the closing and monitoring of the existing landfill site. The landfill closure and post closure cost liability has been estimated at December 31, 2022 to be \$ 87,607 . This liability represents the estimated total expenditures required for closure and post closure care. Where there was no internal information available, information was obtained from outside consultants and an actuary with experience with landfill construction. The consulting engineer has determined that the remaining site capacity 120,674 cubic meters and approximately 43 years. Once closed, this landfill site will be monitored for an estimated 20 years. The estimated undiscounted closure cost and annual monitoring costs are \$100,000 and \$10,000. The discount rate used to calculate the landfill closure and post closure cost liability is equal to the rate available to the Township on long-term federal and provincial government bonds.

**Township of Macdonald, Meredith & Aberdeen Additional
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2022

11. TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS

	Cost				Accumulated Amortization			2022	2021	
	2022 Opening Balance	Additions and Betterments	Disposals/ Transfers	2022 Closing Balance	2022 Opening Balance	2022 Amortization Expense	Accumulated Amortization on Disposals	2022 Ending Balance	Net Book Value	Net Book Value
General Capital Assets										
Land	\$ 143,114	\$ -	\$ -	\$ 143,114	\$ -	\$ -	\$ -	\$ -	\$ 143,114	\$ 143,114
Buildings	1,520,803	229,342	-	1,750,145	615,540	30,636	-	646,176	1,103,969	905,263
Equipment and machinery	1,321,792	37,105	-	1,358,897	507,617	72,108	-	579,725	779,172	814,175
Signs	42,022	-	-	42,022	6,214	2,370	-	8,584	33,438	35,808
Technology equipment	22,032	-	-	22,032	10,326	2,458	-	12,784	9,248	11,706
Vehicle and machinery	465,982	-	-	465,982	241,766	23,299	-	265,065	200,917	224,215
Furniture and fixtures	10,000	-	-	10,000	10,000	-	-	10,000	-	-
Assets Work-in-process	8,621	83,351	(8,621)	83,351	-	-	-	-	83,351	8,621
	3,534,366	349,798	(8,621)	3,875,543	1,391,463	130,871	-	1,522,334	2,353,209	2,142,903
Infrastructure Assets										
Land	\$ 5,001	\$ -	\$ -	\$ 5,001	\$ -	\$ -	\$ -	\$ -	\$ 5,001	\$ 5,001
Land improvements	206,622	-	-	206,622	107,284	4,731	-	112,015	94,607	99,338
Buildings	4,315,954	501,811	-	4,817,765	2,085,566	99,430	-	2,184,996	2,632,769	2,230,388
Equipment and machinery	3,207,825	-	-	3,207,825	1,893,053	147,970	-	2,041,023	1,166,802	1,314,772
Vehicles	473,407	-	-	473,407	231,543	31,493	-	263,036	210,371	241,864
Linear	13,578,721	220,612	-	13,799,333	6,409,646	389,960	-	6,799,606	6,999,727	7,169,075
Other	63,255	-	-	63,255	63,255	-	-	63,255	-	-
Assets Work-in-process	448,005	153,936	(393,456)	208,485	-	-	-	-	208,485	448,005
	22,298,790	876,359	(393,456)	22,781,693	10,790,347	673,584	-	11,463,931	11,317,762	11,508,443
	\$25,833,156	\$ 1,226,157	\$ (402,077)	\$26,657,236	\$12,181,810	\$ 804,455	\$ -	\$12,986,265	\$13,670,971	\$13,651,346

**Township of Macdonald, Meredith & Aberdeen Additional
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2022

11. TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS (Continued)

	Cost			Accumulated Amortization			2021	2020		
	2021 Opening Balance	Additions and Betterments	Disposals/ Transfers	2021 Closing Balance	2021 Opening Balance	2021 Amortization Expense	Accumulated Amortization on Disposals	2021 Ending Balance	Net Book Value	Net Book Value
General Capital Assets										
Land	\$ 126,595	\$ 16,519	\$ -	\$ 143,114	\$ -	\$ -	\$ -	\$ -	\$ 143,114	\$ 126,595
Buildings	1,496,992	23,811	-	1,520,803	586,778	28,762	-	615,540	905,263	910,214
Equipment and machinery	1,107,163	241,300	(26,671)	1,321,792	471,401	62,887	(26,671)	507,617	814,175	635,762
Signs	42,022	-	-	42,022	3,843	2,371	-	6,214	35,808	38,179
Technology equipment	22,032	-	-	22,032	7,869	2,457	-	10,326	11,706	14,163
Vehicle and machinery	465,982	-	-	465,982	218,467	23,299	-	241,766	224,216	247,515
Furniture and fixtures	10,000	-	-	10,000	10,000	-	-	10,000	-	-
Assets Work-in-process	20,263	8,621	(20,263)	8,621	-	-	-	-	8,621	20,263
	3,291,049	290,251	(46,934)	3,534,366	1,298,358	119,776	(26,671)	1,391,463	2,142,903	1,992,691
Infrastructure Assets										
Land	\$ 5,001	\$ -	\$ -	\$ 5,001	\$ -	\$ -	\$ -	\$ -	\$ 5,001	\$ 5,001
Land improvements	111,597	95,025	-	206,622	103,820	3,454	-	107,284	99,338	7,777
Buildings	4,315,954	-	-	4,315,954	1,995,715	89,851	-	2,085,566	2,230,388	2,320,239
Equipment and machinery	3,207,825	-	-	3,207,825	1,744,657	148,396	-	1,893,053	1,314,772	1,463,168
Vehicles	227,312	246,095	-	473,407	193,266	38,277	-	231,543	241,864	34,046
Linear	13,441,581	145,594	(8,454)	13,578,721	6,032,917	385,183	(8,454)	6,409,646	7,169,075	7,408,664
Other	63,255	-	-	63,255	63,255	-	-	63,255	-	-
Assets Work-in-process	55,240	417,925	(25,160)	448,005	-	-	-	-	448,005	55,240
	21,427,765	904,639	(33,614)	22,298,790	10,133,630	665,171	(8,454)	10,790,347	11,508,443	11,294,135
	\$24,718,814	\$ 1,194,890	\$ (80,548)	\$25,833,156	\$11,431,988	\$ 784,947	\$ (35,125)	\$12,181,810	\$13,651,346	\$13,286,826

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022**

12. SEGMENTED INFORMATION - SERVICE BUNDLE

The Township of Macdonald, Meredith and Aberdeen Additional is a diversified municipal government institution that provides a wide range of services to more than 1,513 citizens. Services include water, roads, fire, police, waste management, recreation programs, economic development, land use planning and health and social services. For management reporting purposes the Government's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

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

General Government

General Government consists of Office of the Mayor, Council expenses, Administrative Services (including Clerks, Elections, Communications, Legal and Information Technology Services). Areas within the General Government respond to the needs of external and internal clients by providing high quality, supportive and responsive services. 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 Services

This section consists of Fire, Police, Animal Control, Building Services, and Emergency measures. Police Services ensure the safety of the lives and property of citizens; preserve peace and order; prevent crimes from occurring; detect offenders and enforce the law. Fire Services is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection and extinguishment of fires. The Building Services processes permit applications and ensures compliance with the Ontario Building Code and with By-Laws enacted by Council.

Transportation Services

This area is responsible for management of Roadways including traffic and winter control.

Environmental Services

In addition to the management of Waterworks and Sanitary systems, this area is responsible for Waste Disposal and Recycling facilities and programs. This section is responsible for providing clean, potable water meeting all regulatory requirements and responsible for repairing breaks and leaks in the water and sewer system.

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022**

12. SEGMENTED INFORMATION - SERVICE BUNDLE (Cont'd)

Health and Social Services

This section consists of Ambulance Services, Social Services including Housing Services, Childcare, Assistance to aged persons, Cemetery Services as well as the Municipality's contribution to the Health Unit via levy and Hospital's contribution.

Recreation and Cultural Services

This section provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and other programs and provides management of arenas and leisure facilities. This section also contributes to the information needs of the Township's citizens through the provision of the library and cultural services and by preserving local history and managing archived data.

Planning and Development Services

The goal of this section is to offer coordinated development services in order to maximize economic development opportunities. The Planning and Development ensures that the Township of Macdonald, Meredith and Aberdeen Additional is planned and developed in accordance with the Ontario Planning Act, Provincial policies and good planning principles so that the Township is an enjoyable and beautiful community to live, work and play. This section also provides leadership in matters relating to landscape restoration, ecosystem health, biological integrity, energy conservation, air and lake water quality.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, certain government grants and other revenue are apportioned to Current Fund services based on a percentage of operations.

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2022

12. SEGMENTED INFORMATION - SERVICE BUNDLE (CONT'D)

	General Government		Protection Services		Transportation Services		Environmental Services	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenues								
Taxation (net)	\$ 572,154	\$ 399,001	\$ 250,318	\$ 258,176	\$ 572,155	\$ 563,294	\$ 333,757	\$ 422,470
Government grants and transfers	279,432	244,534	78,206	171,469	266,168	345,481	89,460	115,740
User Charges & other	271,680	80,840	27,526	25,838	11,634	11,949	280,347	271,507
Other Municipalities	-	-	65,425	73,843	-	-	-	-
	1,123,266	724,375	421,475	529,326	849,957	920,724	703,564	809,717
Expenditures								
Salaries, wages and benefits	519,239	460,599	33,460	36,769	277,781	283,044	42,977	57,222
Materials and Contracts	430,025	139,784	345,922	339,312	331,590	247,446	197,094	285,489
Amortization	8,163	8,164	38,661	38,266	352,555	344,465	321,029	320,705
(Gain) Loss on Disposal of Assets	-	-	-	-	-	-	-	-
	957,427	608,547	418,043	414,347	961,926	874,955	561,100	663,416
Annual Surplus (deficit)	\$ 165,839	\$ 115,828	\$ 3,432	\$ 114,979	\$ (111,969)	\$ 45,769	\$ 142,464	\$ 146,301

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2022

12. SEGMENTED INFORMATION - SERVICE BUNDLE (CONT'D)

	Health and Social Services		Recreation and Cultural Services		Planning and Development		Total
	2022	2021	2022	2021	2022	2021	
Revenues							
Taxation (net)	\$ 381,437	\$ 422,470	\$ 262,238	\$ 258,176	\$ 11,920	\$ 23,471	\$2,383,979
Government grants and transfers	102,240	115,740	322,237	180,407	3,195	11,430	1,140,938
User Charges & other	12,933	13,399	95,306	67,435	1,042	1,299	700,468
Other Municipalities	-	-	-	-	-	-	65,425
	496,610	551,609	679,781	506,018	16,157	36,200	4,290,810
Expenditures							
Salaries, wages and benefits	8,865	9,232	202,516	186,236	-	-	1,084,838
Materials and Contracts	636,844	626,995	161,066	159,705	11,981	7,428	2,114,522
Amortization	-	-	84,047	73,347	-	-	804,455
(Gain) Loss on Disposal of Assets	-	-	-	(6,671)	-	-	-
	645,709	636,227	447,629	412,617	11,981	7,428	4,003,815
Annual Surplus (deficit)	\$ (149,099)	\$ (84,618)	\$ 232,152	\$ 93,401	\$ 4,176	\$ 28,772	\$ 286,995
							\$ 460,432
							\$ 73,843
							\$ 1,184,801
							\$ 2,347,058



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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Macdonald, Meredith and Aberdeen Additional

Opinion

We have audited the accompanying financial statements of the **Trust Funds of the Corporation of the Township of Macdonald, Meredith and Aberdeen Additional (the "Trust Funds")**, which comprise:

- the statement of financial position as at **December 31, 2022**
- the statement of continuity for the year then ended
- including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **Township's Trust Funds** as at **December 31, 2022**, and the statement of continuity 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the **Township's 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 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 **Township Trust Funds** ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the **Township Trust Funds** or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility 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 the financial statements.

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



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Funds internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust 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 auditors' 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 auditors' report. However, future events or conditions may cause the Township's Trust Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.

A handwritten signature in cursive script that reads "Rossi Suraci LLP".

Rossi Suraci Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Canada
July 18, 2023

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
 MEREDITH AND ABERDEEN ADDITIONAL
 TRUST FUNDS
 STATEMENT OF FINANCIAL POSITION**

AS AT DECEMBER 31, 2022, (with comparative figures for the prior year)

	2022	2021
ASSETS		
CURRENT		
Cash and investments	\$ 4,424	\$ 2,621
Accrued receivable	-	100
	<u>4,424</u>	<u>2,721</u>
LONG TERM		
Term deposits	132,231	129,231
	<u>\$ 136,655</u>	<u>\$ 131,952</u>
LIABILITIES		
CURRENT		
Due to township	\$ 2,871	\$ 2,858
ACCUMULATED SURPLUS	<u>133,784</u>	<u>129,094</u>
	<u>\$ 136,655</u>	<u>\$ 131,952</u>

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
 MEREDITH AND ABERDEEN ADDITIONAL
 TRUST FUNDS
 STATEMENT OF CONTINUITY**

YEAR ENDED DECEMBER 31, (with comparative figures for the prior year)

	2022	2021
BALANCE, BEGINNING OF YEAR	\$ 129,094	\$ 126,094
REVENUES		
Donations and plot sales	4,690	3,000
ACCUMULATED SURPLUS	\$ 133,784	\$ 129,094

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
TRUST FUNDS
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENT**

DECEMBER 31, 2022

BASIS OF ACCOUNTING

Capital receipts and income are reported on the cash basis of accounting.

Expenditures are reported on the cash basis of accounting with the exception of administrative expenses which are reported on the accrual basis of accounting which recognizes expenditures as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.



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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Macdonald, Meredith and Aberdeen Additional

Opinion

We have audited the accompanying financial statement of the Cemetery Board of the Corporation of the Township of Macdonald, Meredith and Aberdeen Additional (the "Board"), which comprise:

- the statement of operations for the year ended December 31, 2022
- including a summary of significant accounting policies

(Hereinafter referred to as the "financial statement")

In our opinion, the accompanying financial statement presents fairly, in all material respects, the statement of operations of the Board 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 *Auditors' 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 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 Statement

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

In preparing the financial statement, 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.

Auditors' Responsibility for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement 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 the financial statement.

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 statement, 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 auditors' report to the related disclosures in the financial statement 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 auditors' 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 statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.

Rossi Suraci Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Canada
July 18, 2023

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
STATEMENT OF OPERATIONS**

YEAR ENDED DECEMBER 31, (with comparative figures for the prior year)

	2022	2021
REVENUES		
Sales of plots	\$ 4,690	\$ 3,000
Deduct: transfer to care and maintenance fund	(4,690)	(3,000)
	-	-
Service fees	5,177	4,437
Municipal grant	13,975	13,913
	\$ 19,152	\$ 18,350
EXPENDITURES		
Administration	\$ 85	\$ 85
Honorariums and mileage	8,780	9,147
Maintenance and supplies	10,287	9,118
	\$ 19,152	\$ 18,350

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2022

BASIS OF ACCOUNTING

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