
**THE CORPORATION OF
THE TOWNSHIP OF STRONG**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

THE CORPORATION OF THE TOWNSHIP OF STRONG
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Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of The Corporation of the Township of Strong ("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 debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Strong as at December 31, 2023, and its results of operations, its changes in its net debt, 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

North Bay, Canada
August 20, 2024

Chartered Professional Accountants
Licensed Public Accountants

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

	2023	2022 <i>(Restated - see Note 2)</i>
FINANCIAL ASSETS		
Cash <i>(Note 5)</i>	\$ 1,743,367	\$ 966,949
Investments <i>(Note 6)</i>	462,869	1,193,385
Taxes receivable <i>(Note 7)</i>	252,775	230,389
Accounts receivable	395,708	1,054,468
	2,854,719	3,445,191
LIABILITIES		
Accounts payable and accrued liabilities	626,388	597,254
Deferred revenue-general <i>(Note 8)</i>	61,594	93,995
Deferred revenue-obligatory reserve funds <i>(Note 9)</i>	74,006	118,011
Long-term debt <i>(Note 10)</i>	2,078,141	1,236,560
Employee benefits payable <i>(Note 11)</i>	59,433	87,292
Asset retirement obligations <i>(Note 13)</i>	733,128	522,824
	3,632,690	2,655,936
NET FINANCIAL ASSETS (NET DEBT)	(777,971)	789,255
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>(Note 16)</i>	16,010,509	14,604,666
Inventories of supplies	215,915	188,179
Prepaid expenses	24,453	2,320
	16,250,877	14,795,165
ACCUMULATED SURPLUS <i>(Note 17)</i>	\$ 15,472,906	\$ 15,584,420

Contingencies *(Notes 3 and 15)*
Contractual Obligations *(Note 14)*

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

The accompanying notes are an integral part of these financial statements

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

	Budget 2023 <i>(see Note 20)</i>	Actual 2023	Actual 2022 <i>(Restated - see Note 2)</i>
REVENUE			
Property taxes	\$ 2,877,386	\$ 2,900,596	\$ 2,701,175
User charges	94,447	81,720	93,281
Government transfers	1,740,893	1,575,971	2,601,458
Restructuring net revenue <i>(Note 19)</i>	-	2,286	2,600
Loss on disposal of capital assets	-	(5,733)	(39,919)
Other	266,635	327,775	563,576
TOTAL REVENUE	4,979,361	4,882,615	5,922,171
EXPENSES			
General government	868,311	830,261	799,897
Protection to persons and property	624,676	612,074	606,254
Transportation services	2,048,581	1,891,979	1,795,918
Environmental services	370,529	501,735	370,031
Health services	539,397	495,943	445,377
Social and family services	240,147	240,144	232,093
Recreation and cultural services	370,802	368,556	318,928
Planning and development	108,421	53,437	31,696
TOTAL EXPENSES	5,170,864	4,994,129	4,600,194
ANNUAL SURPLUS (DEFICIT) <i>(Note 17)</i>	(191,503)	(111,514)	1,321,977
ACCUMULATED SURPLUS, BEGINNING OF YEAR			
As previously reported	15,731,177	15,731,177	14,384,088
Change in accounting policy	(146,757)	(146,757)	(121,645)
AS RESTATED	15,584,420	15,584,420	14,262,443
ACCUMULATED SURPLUS, END OF YEAR	\$ 15,392,917	\$ 15,472,906	\$ 15,584,420

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF STRONG
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget 2023 <i>(see Note 20)</i>	Actual 2023	Actual 2022 <i>(Restated - see Note 2)</i>
Annual surplus (deficit)	\$ (191,503)	\$ (111,514)	\$ 1,321,977
Acquisition of tangible capital assets	(3,232,468)	(2,105,090)	(2,686,099)
Revaluation of tangible capital assets - ARO	-	(185,740)	-
Contributed tangible capital assets, net	-	2,170	(580)
Amortization of tangible capital assets	867,084	867,084	768,353
Loss on disposal of tangible capital assets	-	5,733	39,919
Proceeds from disposal of tangible capital assets	-	10,000	4,029
Change in supplies inventories	-	(27,736)	(31,793)
Change in prepaid expenses	-	(22,133)	(483)
Decrease in net financial assets	(2,556,887)	(1,567,226)	(584,677)
Net financial assets, beginning of year			
As previously reported	998,704	998,704	1,559,921
Change in accounting policy <i>(Note 2)</i>	(209,449)	(209,449)	(185,989)
As restated	789,255	789,255	1,373,932
Net financial assets (net debt), end of year	\$ (1,767,632)	\$ (777,971)	\$ 789,255

The accompanying notes are an integral part of these financial statements

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

	2023	2022 <i>(Restated - see Note 2)</i>
Operating transactions		
Annual surplus (deficit)	\$ (111,514)	\$ 1,321,977
Non-cash charges to operations:		
Amortization of tangible capital assets	867,084	768,353
Accretion expense on ARO liability	24,564	23,460
Revaluation of tangible capital assets - ARO	(185,740)	-
Contributed tangible capital assets - net	2,170	(580)
Loss on disposal of tangible capital assets	5,733	39,919
Change in employee benefits payable	(27,859)	19,611
Change in ARO liability excluding accretion and settlements	185,740	(242,818)
	<u>760,178</u>	<u>1,929,922</u>
Changes in non-cash items:		
Taxes receivable	(22,386)	(7,860)
Accounts receivable	658,760	(734,914)
Accounts payable and accrued liabilities	29,134	(23,506)
Deferred revenue-general	(32,401)	36,201
Deferred revenue-obligatory reserve funds	(44,005)	5,917
Inventories of supplies	(27,736)	(31,793)
Prepaid expenses	(22,133)	(483)
	<u>539,233</u>	<u>(756,438)</u>
Cash provided by operating transactions	<u>1,299,411</u>	<u>1,173,484</u>
Capital transactions		
Acquisition of tangible capital assets	(2,105,090)	(2,686,099)
Proceeds from disposal of tangible capital assets	10,000	4,029
Cash applied to capital transactions	<u>(2,095,090)</u>	<u>(2,682,070)</u>
Investing transactions		
Change in investments	730,516	(532,594)
Cash provided by (applied to) investing transactions	<u>730,516</u>	<u>(532,594)</u>
Financing transactions		
Proceeds from long-term debt	970,000	950,000
Debt principal repayments	(128,419)	(87,519)
Cash provided by financing transactions	<u>841,581</u>	<u>862,481</u>
Net change in cash	776,418	(1,178,699)
Cash, beginning of year	966,949	2,145,648
Cash, end of year	\$ 1,743,367	\$ 966,949
Cash flow supplementary information:		
Cash paid for interest	\$ 45,141	\$ 13,705

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

MANAGEMENT RESPONSIBILITY

The consolidated financial statements of the Corporation of the Township of Strong (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 balances 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 joint boards and committees are proportionally consolidated:

- Fire
- Medical Centre
- Recreation
- Arena and Hall
- Library
- Building Committee
- 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 STRONG

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

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) 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 the acquisition, construction, development or betterment of the asset, as well as any asset retirement obligations 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 to 60 years
Buildings - 20 to 50 years
Machinery, equipment and furniture - 5 to 20 years
Vehicles - 2 to 30 years
Roads - 10 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.

(iv) 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.

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (v) 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.
- (vi) 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 specified purpose.
- (vii) 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.
- (viii) 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. Obligations for sick leave and employee retirement gratuities under employee benefits payable are accrued as the employees render the services necessary to earn the benefits.

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ix) 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. Financing fees and transaction costs on financial instruments measured at fair value are expensed as incurred. Unrealized gains and losses on financial assets are recognized in the Consolidated Statement of Remeasurement Gains and Losses. Once realized, remeasurement gains and losses are transferred to the Consolidated Statement of Operations. A Consolidated 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.

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

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
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) 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.

(xi) 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 benefits payable, estimated costs and timing of asset retirement obligations and supplementary taxes. Actual results could differ from these estimates.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$733,128. These estimates are subject to uncertainty because of several factors including, but not limited to estimated settlement dates, estimated costs and change in the discount rate. These estimates are reviewed annually and, as adjustments become necessary, they are recorded in the period in which they become known.

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

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

On January 1, 2023 the Municipality adopted the following standards concurrently on a retroactive 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.

On January 1, 2023 the Municipality adopted PS 3280 *Asset Retirement Obligations (ARO)* on a modified retroactive basis with prior period restatement. This standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded. Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or that is based on a promise and expectation of performance.

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

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

As a result of applying PS 3280, the Municipality's asset retirement obligations and related tangible capital assets have been restated. The amounts reported for the year ending December 31, 2022 have been restated as follows:

	As Previously Reported	Adjustments	As Restated
CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Asset retirement obligations liability	\$ 313,375	\$ 209,449	\$ 522,824
Tangible capital assets - net	14,541,974	62,692	14,604,666
Accumulated surplus	15,731,177	(146,757)	15,584,420
CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS			
Total expenses	4,575,082	25,112	4,600,194
Annual surplus (deficit)	1,347,089	(25,112)	1,321,977
Accumulated surplus, beginning of year	14,384,088	(121,645)	14,262,443
Accumulated surplus, end of year	15,731,177	(146,757)	15,584,420
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT			
Annual surplus (deficit)	1,347,089	(25,112)	1,321,977
Amortization of tangible capital assets	766,701	1,652	768,353
Net financial assets, beginning of year	1,559,921	(185,989)	1,373,932
Net financial assets, end of year	998,704	(209,449)	789,255
CONSOLIDATED STATEMENT OF CASH FLOWS			
Annual surplus (deficit)	1,347,089	(25,112)	1,321,977
Amortization of tangible capital assets	766,701	1,652	768,353
Accretion expense on ARO liability	-	23,460	23,460

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	\$ 132,020	\$ 128,119
North Bay Parry Sound District Health Unit	44,823	45,335
District of Parry Sound (East) Home for the Aged	106,648	102,831
	\$ 283,491	\$ 276,285

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.

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

4. TRANSACTIONS ON BEHALF OF OTHERS

- (a) During the year, \$633,743 of taxation was collected on behalf of school boards (2022 - \$639,064).
- (b) The Municipality administers care and maintenance trust funds totaling \$196,195 (2022 - \$193,050) 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. RESTRICTED CASH

Restricted cash of \$87,622 (2022 - \$118,011) are included in the cash balance reported on the Consolidated Statement of Financial Position. This includes \$74,006 (2022 - \$118,011) with respect to obligatory reserve funds reported in Note 9 and \$13,616 (2022 - NIL) related to care and maintenance trust funds. Federal and Provincial legislation restricts how restricted cash and investments related to these funds may be used.

6. INVESTMENTS

(a) Investments at Carrying Value and Market Value

The following table provides carrying value and market value information of the Municipality's investments as at December 31:

	2023		2022	
	Carrying Value	Market Value	Carrying Value	Market Value
Cash and high interest savings	\$ 14,990	\$ 14,990	\$ 3,463	\$ 3,463
Guaranteed investment certificates	19,966	19,966	764,971	764,971
Principal protected notes	225,000	219,455	225,000	212,025
Corporate bonds	202,913	199,948	199,951	192,737
	\$ 462,869	\$ 454,359	\$ 1,193,385	\$ 1,173,196

(b) Maturity Dates and Rates of Return

Guaranteed investment certificates bear interest at rates ranging from 1.60% to 2.25% (2022 - .75% to 7.20%) and mature between January 2024 and October 2024 (2022 - February 2023 and June 2024). Bond yields range from 4.31% to 4.64% (2022 - 4.31% to 4.64%). Principal protected notes will receive principal plus a variable rate of interest when redeemed, with the interest based on the relative performance of the notes versus a defined index.

THE CORPORATION OF THE TOWNSHIP OF STRONG

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	\$ 187,905	\$ 194,869
Taxes and amounts added for collection purposes-previous year	46,981	29,008
Taxes and amounts added for collection purposes-prior years	5,228	2,959
Penalties and interest	14,661	10,276
Valuation allowance	(2,000)	(6,723)
	\$ 252,775	\$ 230,389

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	\$ 15,817	\$ 15,817
Sundridge and District Medical Centre	36,698	39,491
Provincial Modernization funding	39,534	-
Other	1,946	2,486
	93,995	57,794
Received during the year		
Sundridge and District Medical Centre	196,078	192,681
Provincial Modernization funding	-	39,534
Other	14,000	-
	210,078	232,215
Recognized in revenue during the year	(242,479)	(196,014)
Balance, end of year	\$ 61,594	\$ 93,995
Ontario Cannabis Legalization Implementation Fund	\$ 15,817	\$ 15,817
Sundridge and District Medical Centre	29,831	36,698
Provincial Modernization funding	-	39,534
Other	15,946	1,946
Balance, end of year	\$ 61,594	\$ 93,995

THE CORPORATION OF THE TOWNSHIP OF STRONG

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 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, revenue recognition occurs when the Municipality has approved eligible expenditures for park and other public recreation purposes. Building permit revenue is recognized when applicable building expenditures are incurred. Community-Building revenue recognition occurs when the Municipality has approved the expenditures for eligible capital works. Historically, the Municipality has applied its Community-Building funding to local road and bridge improvements and to solid waste disposal.

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:		
Recreational land (the Planning Act)	\$ 2,591	\$ 1,517
Building Code Act	115,420	110,577
	118,011	112,094
Received during the year:		
Recreational land (the Planning Act)	2,000	1,000
Building Code Act	-	4,843
Interest earned	296	74
	2,296	5,917
Recognized in revenue during the year	(46,301)	-
Balance, end of year	\$ 74,006	\$ 118,011
Recreational land (the Planning Act)	\$ 4,887	\$ 2,591
Building Code Act	69,119	115,420
Balance, end of year	\$ 74,006	\$ 118,011

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

10. LONG-TERM DEBT

(c) The balance of 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 August 2026, repayable in monthly payments of \$6,873 including interest calculated at 1.21%.	\$ 216,341	\$ 295,687
Ontario Infrastructure and Lands Corporation amortizing debenture, due December 2033, repayable in monthly payments of \$4,898 including interest calculated at 4.62%.	470,000	-
Royal Bank of Canada non-revolving term loan, due December 2026, repayable in monthly payments of \$9,724 including interest calculated at 6.25%.	500,000	-
Proportionate share of Sundridge and District Medical Centre Ontario Infrastructure and Lands Corporation amortizing debenture, due November 2052, repayable in semi-annual payments of \$47,103 including interest calculated at 4.74%.	738,310	750,000
Proportionate share of Sundridge-Strong-Joly Arena & Hall Ontario Infrastructure and Lands Corporation amortizing debenture, due September 2027, repayable in monthly payments of \$7,329 including interest calculated at 3.79%.	153,490	190,873
	\$ 2,078,141	\$ 1,236,560

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

	Principal	Interest
2024	\$ 257,182	\$ 91,845
2025	267,687	81,340
2026	470,062	70,330
2027	90,040	48,821
2028	60,304	45,578
2029 onwards	932,866	491,493
	\$ 2,078,141	\$ 829,407

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

	2023	2022
Principal payments	\$ 128,419	\$ 87,519
Interest	47,527	11,101
	\$ 175,946	\$ 98,620

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

11. EMPLOYEE BENEFITS PAYABLE

- (a) Under the sick leave benefits plan, unused sick leave can accumulate to a prescribed maximum and qualifying employees may become entitled to a cash payment when they leave the Municipality's employment. The sick leave benefit liability estimates the use of accumulated sick leave prior to retirement, as well as any 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 \$34,783 (2022 - \$67,315) at the end of the year.

- (B) Under the retirement gratuity policy, qualifying employees are entitled to a payout, upon retirement, based on length of service and rate of pay. The retirement gratuity liability estimates the 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 the retirement gratuity is estimated at \$24,650 (2022 - \$19,977) at the end of the year.

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

12. FINANCIAL INSTRUMENTS

Risks arising from financial instruments and risk management

The Municipality is exposed to various risks through its financial instruments.

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 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:

2023				
	Current	Past Due	Indeterminate Due Date	TOTAL
Federal	\$ 157,001	\$ -	\$ -	\$ 157,001
Provincial	133,002	1,023	-	134,025
Other municipalities	23,883	168	7,954	32,005
Ratepayers - planning accounts	-	-	18,528	18,528
Other	53,388	761	-	54,149
Valuation allowance	-	-	-	-
Net receivables	\$ 367,274	\$ 1,952	\$ 26,482	\$ 395,708
2022				
	Current	Past Due	Indeterminate Due Date	TOTAL
Federal	\$ 284,926	\$ -	\$ -	\$ 284,926
Provincial	695,874	-	-	695,874
Other municipalities	22,235	4,065	10,964	37,264
Ratepayers - planning accounts	-	-	17,087	17,087
Other	17,419	1,898	-	19,317
Valuation allowance	-	-	-	-
Net receivables	\$ 1,020,454	\$ 5,963	\$ 28,051	\$ 1,054,468

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 STRONG

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

12. 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. 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. The long-term debt repayment schedule is disclosed in Note 10.

2023					
	Within 6 months	6 months to 1 year	1 to 5 years	Indeterminate payable date	TOTAL
Accounts payable and accrued liabilities	\$ 497,828	\$ 36,321	\$ -	\$ 92,239	\$ 626,388

2022					
	Within 6 months	6 months to 1 year	1 to 5 years	Indeterminate payable date	TOTAL
Accounts payable and accrued liabilities	\$ 411,130	\$ 98,196	\$ 5,376	\$ 82,552	\$ 597,254

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. It is primarily 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 investments and long-term debt. 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.

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

13. ASSET RETIREMENT OBLIGATIONS

The Municipality has recorded asset retirement obligations as of the January 1, 2023 implementation date on a modified retroactive basis. Obligations with respect to the removal and disposal of designated substances such as asbestos from its buildings and obligations with respect to its landfill closure and post-closure care requirements have been recorded.

In the past, the Municipality reported its asset retirement obligations as follows:

- a) Obligations related to the retirement of its buildings were recorded in the period the asset was retired directly as an expense;
- b) Obligations related to landfill closure and post-closure care requirements were recorded 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 the asset retirement 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 retirement costs for assets in use are capitalized to the carrying amount of the associated assets, and amortized over the useful life of the related asset. Subsequent revisions to the estimated cost are also capitalized and amortized as part of the asset. Accretion of the discounted liability due to the passage of time is recorded as an in-year expense.

The Municipality has recorded the following retirement obligations:

- (a) A liability relating to designated substances in the Sundridge-Strong-Joly arena, which represents the Municipality's share of the total discounted future cash flows for removal and disposal using an estimated long-term borrowing rate of 4.4% (2022 - 4.4%) and inflation rate of 2.6% (2022 - 2.6%).
- (b) A liability relating to the landfill closure and post-closure care requirements for its two waste disposal sites, 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. Details of the liability for the two sites are outlined below.

Forest Lake Road Landfill Site

The liability for this landfill site is recorded at \$110,439 (2022 \$41,348) and 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 227,816 (2022 - 229,118) cubic metres, estimated to be filled in 175 years (2022 - 176 years). Post-closure care is estimated to be required for a period of 25 years.

Muskoka Road Landfill Site

The liability for this landfill site is recorded at \$600,898 (2022 \$460,603) and 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 31,420 cubic metres (2022 - 32,344 cubic metres), estimated to be filled in 34 years (2022 35 years). Post-closure care is estimated to be required for a period of 25 years.

The Municipality has reserves of \$259,079 (2022 - \$259,079) that could be used to fund the landfill closure liability.

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

13. ASSET RETIREMENT OBLIGATIONS (Continued)

The continuity of the asset retirement obligations reported on the Consolidated Statement of Financial Position is shown below:

2023			
	Strong share of Arena Building Liability (50%)	Landfill Closure and Post-closure Liability	Total
Balance, beginning of year - as previously reported	\$ -	\$ 313,375	\$ 313,375
Adjustment due to change in accounting policy	20,873	188,576	209,449
Increase in liability reflecting changes in the estimated cash flows, inflation and discount rate	-	185,740	185,740
Increase in liability due to accretion (the passage of time)	918	23,646	24,564
Balance, end of year	\$ 21,791	\$ 711,337	\$ 733,128
2022			
	Strong share of Arena Building Liability (50%)	Landfill Closure and Post-closure Liability	Total
Balance, beginning of year - as previously reported	\$ -	\$ 556,193	\$ 556,193
Adjustment due to change in accounting policy	19,993	165,996	185,989
Decrease in liability reflecting changes in the estimated cash flows, inflation and discount rate	-	(242,818)	(242,818)
Increase in liability due to accretion (the passage of time)	880	22,580	23,460
Balance, end of year	\$ 20,873	\$ 501,951	\$ 522,824

14. CONTRACTUAL OBLIGATIONS

In conjunction with the Corporation of the Village of Sundridge and the Corporation of the Township of Joly, in 2023 the Municipality contracted Black & McDonald Limited to replace the ammonia/brine chiller and bucket float at the arena, at a cost of \$112,930 plus HST. This work is expected to be undertaken in 2024.

In 2023 the Municipality contracted Bernard Rochefort Ltd. to provide engineering services related to the MegaDome at a cost of \$167,072 plus HST. To the end of the year, \$108,807 of services had been performed. The balance of the work is expected to be completed in 2024.

15. CONTINGENCIES

The Municipality is involved from time to time in litigation, which arises in the normal course of business. With respect to outstanding claims, the Municipality believes that insurance coverage is adequate and that no material exposure exists on the eventual settlement of such litigation in all but two claims. Therefore, no provision has been made in the accompanying financial statements. For two claims in the total amount of \$4,010,000 the likelihood and extent of loss, if any, is not yet determinable. Therefore, no provision has been made in the accompanying financial statements.

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

16. TANGIBLE CAPITAL ASSETS

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

2023							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
COST							
Balance, beginning of year	\$ 1,176,196	\$ 2,889,363	\$ 1,361,569	\$ 2,088,775	\$ 20,216,231	\$ 881,135	\$ 28,613,269
Additions and betterments	3,990	122,217	223,103	562,757	953,360	239,663	2,105,090
Revaluation of assets - ARO	185,740	-	-	-	-	-	185,740
Contributed assets	1,270	-	-	(4,538)	-	-	(3,268)
Disposals and writedowns	-	(1,724)	(14,973)	(17,075)	(251,141)	-	(284,913)
Transfer between classes	-	316,514	-	-	-	(316,514)	-
BALANCE, END OF YEAR	1,367,196	3,326,370	1,569,699	2,629,919	20,918,450	804,284	30,615,918
ACCUMULATED AMORTIZATION							
Balance, beginning of year	273,762	989,748	862,849	969,201	10,913,043	-	14,008,603
Annual amortization	27,895	67,123	71,572	153,439	547,055	-	867,084
Accumulated amortization - contributed assets	319	-	-	(1,417)	-	-	(1,098)
Amortization disposals	-	(725)	(14,469)	(2,846)	(251,140)	-	(269,180)
BALANCE, END OF YEAR	301,976	1,056,146	919,952	1,118,377	11,208,958	-	14,605,409
TANGIBLE CAPITAL ASSETS-NET	\$ 1,065,220	\$ 2,270,224	\$ 649,747	\$ 1,511,542	\$ 9,709,492	\$ 804,284	\$ 16,010,509

2022 *Restated - see Note 2*

	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
COST							
Balance, beginning of year	\$ 652,256	\$ 2,380,938	\$ 1,352,062	\$ 2,088,775	\$ 19,811,092	\$ 61,244	\$ 26,346,367
Additions and betterments	523,200	668,133	18,015	-	656,860	819,891	2,686,099
Contributed assets	740	-	-	-	-	-	740
Disposals and writedowns	-	(159,708)	(8,508)	-	(251,721)	-	(419,937)
BALANCE, END OF YEAR	1,176,196	2,889,363	1,361,569	2,088,775	20,216,231	881,135	28,613,269
ACCUMULATED AMORTIZATION							
Balance, beginning of year	252,486	1,063,280	804,775	834,296	10,661,242	-	13,616,079
Annual amortization	21,116	56,041	66,581	134,905	489,710	-	768,353
Accumulated amortization - contributed assets	160	-	-	-	-	-	160
Amortization disposals	-	(129,573)	(8,507)	-	(237,909)	-	(375,989)
BALANCE, END OF YEAR	273,762	989,748	862,849	969,201	10,913,043	-	14,008,603
TANGIBLE CAPITAL ASSETS-NET	\$ 902,434	\$ 1,899,615	\$ 498,720	\$ 1,119,574	\$ 9,303,188	\$ 881,135	\$ 14,604,666

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

17. 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 - see Note 2)</i>	Annual Surplus (Deficit)	Balance End of Year
Reserves and reserve funds			
Working capital	\$ 323,618	\$ (10,988)	\$ 312,630
Tax arrears coverage	323,781	-	323,781
Election	14,999	-	14,999
Buildings	151,250	(22,098)	129,152
Infrastructure	109,497	-	109,497
Roads	716,845	(128,229)	588,616
Community hub	300,000	(81,113)	218,887
Landfill closure	259,079	-	259,079
Landfill capital	41,600	-	41,600
Muskoka Algonquin Health Centre	-	15,000	15,000
Berriedale Cemetery	1,139	-	1,139
Strong Cemetery	4,895	-	4,895
Medical Centre	16,859	409,687	426,546
Arena	40,166	(23,971)	16,195
Library	25,698	751	26,449
Recreation facility	50,000	-	50,000
	2,379,426	159,039	2,538,465
Other			
Consolidated tangible capital assets	14,604,666	1,405,843	16,010,509
General operating surplus (deficit) -			
Municipality	(76,920)	(230,570)	(307,490)
Berriedale Cemetery	7,571	-	7,571
Pevensey Cemetery	965	-	965
Strong Cemetery	673	-	673
Arena	18,093	32,244	50,337
Library	1,081	(901)	180
Medical Centre	486,149	(449,148)	37,001
Almaguin Community Economic Development	9,392	(3,995)	5,397
Unfunded amounts -			
Long-term debt	(1,236,560)	(841,581)	(2,078,141)
Employee benefits payable	(87,292)	27,859	(59,433)
Asset retirement obligations	(522,824)	(210,304)	(733,128)
ACCUMULATED SURPLUS	\$ 15,584,420	\$ (111,514)	\$ 15,472,906

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

18. 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, 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, ambulance services 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 library services.

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 rent to specific segments.

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

18. 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	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ 19,075	\$ -	\$ -	\$ -	\$ -	\$ 2,900,596	\$ 2,900,596
User charges	3,494	32,380	1,000	-	2,216	-	21,255	2,300	-	81,720
Government transfers -										
Canada	-	-	95,245	-	-	-	63,304	16,407	-	174,956
Ontario	42,946	13,361	250,576	76,028	244,716	-	94,624	8,776	550,200	1,281,227
Other municipalities	-	13,382	-	104,730	200	-	500	976	-	119,788
Restructuring net revenue	-	-	-	-	-	-	-	2,286	-	2,286
Loss on disposal of capital assets	-	-	(4,229)	-	-	-	(1,504)	-	-	(5,733)
Other	31,353	5,412	10,718	25,051	77,677	-	49,386	-	128,178	327,775
TOTAL REVENUE	77,793	64,535	353,310	224,884	324,809	-	227,565	30,745	3,578,974	4,882,615
EXPENSES										
Salaries, wages and benefits	497,569	145,173	466,969	214,667	73,271	-	166,405	34,952	-	1,599,006
Long-term debt charges (interest)	-	-	5,714	-	35,342	-	6,471	-	-	47,527
Materials	90,346	89,969	657,268	130,220	32,912	-	99,001	5,076	-	1,104,792
Contracted services	217,742	334,177	39,253	111,837	276,987	-	25,299	13,179	-	1,018,474
Rents and financial expenses	3,974	26	16,164	-	8,245	-	16,737	-	-	45,146
External transfers	2,294	-	-	-	44,823	240,144	275	-	-	287,536
Interfunctional adjustments	(5,218)	1,318	-	-	-	-	3,900	-	-	-
Amortization	23,554	41,411	706,611	21,365	24,363	-	49,550	230	-	867,084
Accretion of ARO liability	-	-	-	23,646	-	-	918	-	-	24,564
TOTAL EXPENSES	830,261	612,074	1,891,979	501,735	495,943	240,144	368,556	53,437	-	4,994,129
ANNUAL SURPLUS (DEFICIT)	\$ (752,468)	\$ (547,539)	\$(1,538,669)	\$ (276,851)	\$ (171,134)	\$ (240,144)	\$ (140,991)	\$ (22,692)	\$ 3,578,974	\$ (111,514)

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

18. 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	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,701,175	\$ 2,701,175
User charges	4,529	49,363	1,750	15,820	6,830	-	10,739	4,250	-	93,281
Government transfers -										
Canada	-	-	91,276	-	-	-	382,661	19,749	-	493,686
Ontario	16,134	7,949	267,229	70,336	525,384	-	573,693	4,090	525,100	1,989,915
Other municipalities	-	14,872	-	102,285	200	-	500	-	-	117,857
Restructuring net revenue	-	-	-	-	-	-	-	2,600	-	2,600
Loss on disposal of capital assets	(468)	-	(19,012)	-	(1,535)	-	(18,904)	-	-	(39,919)
Other	37,304	5,777	19,845	284,033	60,610	-	50,123	-	105,884	563,576
TOTAL REVENUE	57,499	77,961	361,088	472,474	591,489	-	998,812	30,689	3,332,159	5,922,171
EXPENSES										
Salaries, wages and benefits	514,273	133,523	291,046	176,329	78,842	-	139,398	23,556	-	1,356,967
Long-term debt charges (interest)	-	-	4,054	-	4,578	-	2,469	-	-	11,101
Materials	87,597	81,175	527,959	43,563	31,961	-	95,325	3,644	-	871,224
Contracted services	180,965	345,986	343,661	105,682	249,883	-	20,072	4,321	-	1,250,570
Rents and financial expenses	3,154	331	-	-	14,913	-	14,569	8	-	32,975
External transfers	1,969	-	-	-	51,282	232,093	200	-	-	285,544
Interfunctional adjustments	(6,447)	2,547	-	-	-	-	3,900	-	-	-
Amortization	18,386	42,692	629,198	21,877	13,918	-	42,115	167	-	768,353
Accretion of ARO liability	-	-	-	22,580	-	-	880	-	-	23,460
TOTAL EXPENSES	799,897	606,254	1,795,918	370,031	445,377	232,093	318,928	31,696	-	4,600,194
ANNUAL SURPLUS (DEFICIT)	\$ (742,398)	\$ (528,293)	\$(1,434,830)	\$ 102,443	\$ 146,112	\$ (232,093)	\$ 679,884	\$ (1,007)	\$ 3,332,159	\$ 1,321,977

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

19. 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 these withdrawals were retained by ACED.

The Municipality recorded net revenue of \$2,286 (2022 - \$2,600) as a result of this restructuring. The value of the tangible assets received is recorded as a contributed asset in Note 16.

20. 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
ADOPTED BUDGET:	
Increase in general municipal operating surplus	\$ 67,710
Decrease in reserves and reserve funds	(499,351)
Decrease in board and joint board general operating surplus	(510,789)
ADJUSTMENTS:	
Acquisition of tangible capital assets	3,232,468
Amortization of tangible capital assets	(867,084)
Accretion of ARO liability	(24,565)
Increase in long-term debt	(1,589,892)
ANNUAL OPERATING DEFICIT	\$ (191,503)

THE CORPORATION OF THE TOWNSHIP OF STRONG

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

21. 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 \$101,749 (2022 - \$73,573) for current service and is included as an expense on the Consolidated Statement of Operations.

22. COMPARATIVE FIGURES

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