

**THE CORPORATION OF THE
MUNICIPALITY OF WHITESTONE
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023**

THE CORPORATION OF THE MUNICIPALITY OF WHITESTONE
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THE CORPORATION OF THE MUNICIPALITY OF WHITESTONE
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

Management's Responsibility for the Consolidated Financial Statements

The management of the Corporation of the Municipality of Whitestone (the "Municipality") is responsible for the integrity, objectivity and accuracy of the financial information presented in the accompanying financial statements.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada ("CPA"). A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements.

The Municipality's management maintains a system of internal controls designed to provide a reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

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

The consolidated financial statements have been audited by Pahapill and Associates Professional Corporation, independent external auditors appointed by the Municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

Michelle

Michelle (Aug 12, 2024 10:05 EDT)

Michelle Hendry
CAO/Clerk

Maneesh

Maneesh (Aug 12, 2024 09:50 EDT)

Maneesh Kulal
Treasurer

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Municipality of Whitestone

Opinion

We have audited the consolidated financial statements of The Corporation of the Municipality of Whitestone, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, the consolidated change in its net financial assets (debt) and its consolidated 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 Municipality of Whitestone as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Municipality 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 in the financial statements, which describes the effects of Canadian public sector accounting standards adopted by the Municipality. Our opinion is not modified in respect of this matter.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 Municipality'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 Municipality'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 Municipality 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 Municipality 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.

Pahapill and Associates

Huntsville, Ontario
June 18, 2024

Pahapill and Associates Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

THE CORPORATION OF THE MUNICIPALITY OF WHITESTONE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 1,451,602	\$ 1,084,656
Accounts receivable, net of allowance of \$2,000 (2022 - \$2,000)	712,367	1,044,361
	2,163,969	2,129,017
LIABILITIES		
Accounts payable and accrued liabilities	585,624	562,103
Deferred revenue (Note 6)	122,041	189,320
Municipal debt (Note 7)	2,182,444	2,454,611
Landfill closure and post-closure liability (Note 10)	-	500,800
Asset retirement obligations (Note 11)	578,064	-
	3,468,173	3,706,834
NET FINANCIAL ASSETS (DEBT)	(1,304,204)	(1,577,817)
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 13, Schedule 1)	11,980,233	11,384,622
Inventories of supplies	21,649	33,485
Prepaid expenses	54,671	48,630
	12,056,553	11,466,737
ACCUMULATED SURPLUS	\$ 10,752,349	\$ 9,888,920

CONTINGENT LIABILITY (Note 17)

COMMITMENTS (Note 9)

APPROVED ON BEHALF OF COUNCIL:



Mayor

THE CORPORATION OF THE MUNICIPALITY OF WHITESTONE
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget 2023 (Note 15)	Actual 2023	Actual 2022
REVENUE			
Property taxes	\$ 3,419,263	\$ 3,442,292	\$ 3,168,864
User fees	68,700	74,941	68,279
Government transfers	1,682,756	1,694,357	1,870,887
Other	420,541	541,999	695,349
Gain (Loss) on sale of capital assets	-	67,491	17,351
TOTAL REVENUE	5,591,260	5,821,080	5,820,730
EXPENSES			
General government	1,227,721	1,242,771	1,106,250
Protection to persons and property	863,517	870,493	831,899
Transportation services	1,802,511	1,864,357	1,854,305
Environmental services	366,815	374,510	288,064
Landfill	-	(472,906)	18,300
Health services	260,375	259,540	251,468
Social and family services	345,568	345,568	336,637
Recreation and culture	454,738	429,108	478,410
Planning and development	57,800	44,210	87,731
TOTAL EXPENSES	5,379,045	4,957,651	5,253,064
ANNUAL SURPLUS (DEFICIT)	212,215	863,429	567,666
ACCUMULATED SURPLUS, BEGINNING OF YEAR	9,888,920	9,888,920	9,321,254
ACCUMULATED SURPLUS, END OF YEAR	\$ 10,101,135	\$ 10,752,349	\$ 9,888,920

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE MUNICIPALITY OF WHITESTONE
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget 2023 (Note 15)	Actual 2023	Actual 2022
Annual surplus (deficit)	\$ 212,215	\$ 863,429	\$ 567,666
Acquisition of tangible capital assets	(1,399,376)	(1,399,376)	(2,289,793)
Amortization of tangible capital assets	803,765	803,765	808,115
(Gain)/loss on disposal of tangible capital assets	-	(67,491)	(17,351)
Proceeds on disposal of tangible capital assets	-	67,491	17,351
Change in inventories	-	11,836	(18,750)
Change in prepaid expense	-	(6,041)	(6,006)
Increase (decrease) in net financial assets	(383,396)	273,613	(938,768)
Net financial assets (debt), beginning of year	(1,577,817)	(1,577,817)	(639,049)
Net financial assets (debt), end of year	\$ (1,961,213)	\$ (1,304,204)	\$ (1,577,817)

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE MUNICIPALITY OF WHITESTONE
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
Operating transactions		
Annual surplus (deficit)	\$ 863,429	\$ 567,666
Non-cash charges to operations:		
Amortization	803,765	808,115
(Gain)/loss on disposal of tangible capital assets	(67,491)	(17,351)
	1,599,703	1,358,430
Changes in non-cash items:		
Accounts receivable	331,994	(512,100)
Accounts payable and accrued liabilities	23,521	109,920
Deferred revenue	(67,279)	(59,373)
Asset retirement obligation	77,264	18,300
Inventories of supplies	11,836	(18,750)
Prepaid expenses	(6,041)	(6,006)
	371,295	(468,009)
Cash provided by operating transactions	1,970,998	890,421
Capital transactions		
Acquisition of tangible capital assets	(1,399,376)	(2,289,793)
Proceeds on disposal of tangible capital assets	67,491	17,351
Cash applied to capital transactions	(1,331,885)	(2,272,442)
Investing transactions		
Cash provided by investing transactions	-	-
Financing transactions		
Proceeds of municipal debt	-	1,179,758
Debt principal repayments	(272,167)	(195,012)
Cash applied to financing transactions	(272,167)	984,746
Net change in cash and cash equivalents	366,946	(397,275)
Cash and cash equivalents, beginning of year	1,084,656	1,481,931
Cash and cash equivalents (bank indebtedness), end of year	\$ 1,451,602	\$ 1,084,656
Cash flow supplementary information:		
Interest income received	\$ 119,932	\$ 88,609
Interest paid	85,734	48,525
Net interest received	\$ 34,198	\$ 40,084

The accompanying notes and schedules are an integral part of these financial statements

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

The Corporation of the Municipality of Whitestone is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, 2001, Planning Act, Building Code Act and other related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Municipality of Whitestone (the "Municipality") are prepared by management in accordance with Canadian public sector accounting standards for local governments as recommended in the Public Sector Accounting Board "PSAB" of the Chartered Professional Accountants Canada. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Reporting Entity

These consolidated statements reflect the assets, liabilities, revenues, expenses and reserve and reserve fund 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 local boards are consolidated:

Cemetery
Library

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

(ii) Non-consolidated entities

The following joint local boards are not consolidated:

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

(iii) Accounting for school board transactions

The taxation, other revenues, 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.

(b) Basis of Accounting**(i) Accrual basis of accounting**

Sources of financing and expenditures are reported on the accrual basis of accounting. This method recognizes revenues as they become available 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.

(ii) 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.

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

(a) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as donations are recorded at their fair value at the date of receipt. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements - 20 years
Buildings - 40 years
Machinery, equipment and furniture - 5 to 20 years
Vehicles - 8 to 15 years
Roads - 8 to 75 years
Bridges - 60 years
Water and Sewer plants and networks - 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.

The Municipality has a capitalization threshold of \$3,000; individual tangible capital assets, or pooled assets of lesser value are expensed in the year of purchase.

(b) Inventories of supplies

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

(iii) 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.

(iv) Government transfers

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

(v) Deferred revenue

The Municipality receives gas tax revenue from the Federal Government and payments in lieu of parkland under the authority of provincial legislation and Municipal by-laws. These funds are restricted in their use and until applied to the applicable expenditures are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended. The Municipality also defers recognition of certain government grants which have been collected but for which the related expenditures have yet to be incurred. These amounts will be recognized as revenues in the fiscal year the services are performed.

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

(vi) Taxation and related revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). 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. A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known. The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

(vii) Asset retirement obligations

A liability for asset retirement obligation (ARO) is recognized when, as at the financial reporting date:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is initially recorded at the best estimate of the expenditures required to retire a tangible capital asset, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset if the asset is recognized and in productive use. This liability is subsequently reviewed at each financial reporting date and adjusted for any revisions to the timing or amount required to settle the obligation. The changes in the liability for the passage of time are recorded as accretion expenses in the Statement of Operations and all other changes are adjusted to the tangible capital asset. This cost is amortized over the useful life of the tangible capital asset (Note 1(b)(ii)(a)). If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

The liability for closure and post-closure care relating to landfill sites has been recognized based on estimated future expenditures. The liability is discounted using a present value calculation and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the landfill tangible capital asset. The landfill tangible capital asset is being amortized over the asset's useful life (Note 1(b)(ii)(a)). Assumptions used in the calculations are revised yearly.

Recoveries related to tangible capital asset retirement obligations are recognized when the recovery can be appropriately measured, a reasonable estimate of the amount can be made and it is expected that future economic benefits will be obtained. A recovery is recognized on a gross basis from the asset retirement obligations liability.

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

(viii) Use of estimates

The preparation of consolidated 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 revenues and expenses during the period. Significant items subject to such estimates and assumptions include valuation allowances for accounts receivable and solid waste landfill closure and post-closure liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future. The estimates are reviewed periodically and any resulting adjustments are reported in earnings in the year in which they become known.

2. CHANGE IN ACCOUNTING POLICIES

On January 1, 2023 the Municipality adopted Public Accounting Standards PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3280 Asset Retirement Obligations, and PS 3450 Financial Instruments. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions. Other than PS 3280 these standards have no significant impact on the presentation of the financial statements.

In accordance with the provisions of the PS 3280 Asset Retirement Obligations standard, as at January 1, 2023, the Municipality derecognized the landfill closure and post-closure liability and recognized an asset retirement obligation (Note 11).

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	\$ 273,582	\$ 264,531
North Bay Parry Sound District Health Unit	30,961	30,459
District of Parry Sound (West) Home for the Aged	71,986	72,106
Total contributions made	\$ 376,529	\$ 367,096

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.

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

4. OPERATIONS OF SCHOOL BOARDS

Further to Note 1(a)(iii), the Municipality is required to collect property taxes and payments-in-lieu of taxes on the behalf of the school boards. The amounts collected, remitted and outstanding are as follows:

	2023	2022
Payable (receivable) at the beginning of the year	\$ 18,497	\$ 12,824
Taxation and payments-in-lieu, net of adjustments	1,010,967	991,966
Remitted during the year	(1,005,455)	(986,293)
Payable (Receivable) at the end of the year	\$ 24,009	\$ 18,497

5. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$66,578 (2022 \$61,638) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

6. DEFERRED REVENUE

The 2023 continuity of transactions within the deferred funds are described below:

	Balance beginning of year	Contributions received	Interest earned	Amounts taken into revenue	Balance end of year
Cash in lieu of parkland	\$ 187,901	\$ 34,902	\$ -	\$ (102,181)	\$ 120,622
Federal gas tax	-	60,628	-	(60,628)	-
Other	1,419	-	-	-	1,419
	\$ 189,320	\$ 95,530	\$ -	\$ (162,809)	\$ 122,041

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

7. MUNICIPAL DEBT

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

	2023	2022
Infrastructure Ontario, due October 2029, repayable in semi-annual payments of \$25,072 plus interest calculated at 2.33% and is secured by future funding.	\$ 300,864	\$ 351,007
Infrastructure Ontario, due September 2034, repayable in semi-annual payments of \$18,640 including interest calculated at 2.32% and is secured by future funding.	360,110	388,540
TD Canada Trust, due May 2024, repayable in monthly payments of \$6,425 including interest calculated at 2.80% and is secured by equipment.	25,552	100,814
Infrastructure Ontario, due April 2036, repayable in semi-annual payments of \$9,996 including interest calculated at 2.46% and is unsecured.	214,006	228,466
Infrastructure Ontario, due April 2036, repayable in semi-annual payments of \$9,664 including interest calculated at 2.38% and is unsecured.	207,911	222,038
Infrastructure Ontario, due September 2032, repayable in semi-annual payments of \$18,599 including interest calculated at 4.17% and is unsecured.	276,767	301,643
TD Canada Trust, due October 2027, repayable in monthly payments of \$3,533 including interest calculated at 5.90% and is secured by equipment.	145,006	177,792
TD Canada Trust, due August 2027, repayable in monthly payments of \$5,548 including interest calculated at 5.15% and is unsecured.	652,228	684,311
	\$ 2,182,444	\$ 2,454,611

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

	Principal	Interest
2024	\$ 228,449	\$ 76,923
2025	209,362	69,100
2026	216,036	61,258
2027	202,465	44,260
2028	664,366	21,124
2029 onwards	661,766	56,606
	\$ 2,182,444	\$ 329,271

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

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

	2023	2022
Principal payments	\$ 272,168	\$ 195,011
Interest	85,734	48,525
	\$ 357,902	\$ 243,536

8. CREDIT FACILITY AGREEMENT

The Municipality has an authorized overdraft facility with TD Canada Trust of \$1,000,000 (2022 \$1,000,000), of which NIL (2022 NIL) was used at the end of the year.

9. COMMITMENTS

The Municipality has committed to a one-time financial contribution of \$250,000 towards the construction of the building of the West Parry Sound Recreation and Cultural Centre Board. The Municipality further agreed to contribute annually towards any operating deficit of the Facility, up to 6.1% of such annual deficit up to a maximum of \$18,316, commencing in the first year of the Facility's operation for a total of 10 years.

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

10. LANDFILL CLOSURE AND POST CLOSURE LIABILITY AND CONTINGENT LIABILITY

Commencing in 2001, the local government accounting standards issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants require that municipalities recognize a liability related to the closure of solid waste landfill sites. The closure and post-closure care requirements are mandated by the Environmental Protection Act and encompasses all costs related to the closure and subsequent maintenance of such sites including final covering and landscaping of the landfill, gas management, on-going monitoring, site inspections, and maintenance. The liability is recognized in the financial statements over the operating life of the solid waste disposal site, in proportion to its utilized capacity.

An engineering study received in 2022 has decreased estimated remaining usable capacity and remaining years due to an increase in the average fill rates and adjustments to the sites which included bringing in more fill materials to cover and create an expanded waste footprint at the Aulds Road Site.

The Municipality currently owns and operates the Dunchurch landfill site, which has a total capacity of 38,400m³. Based on an engineering report received in 2022, the landfill closure and post-closure estimates for the usable footprint is as follows:

Dunchurch Landfill

Total estimate expenditures for closure and post-closure care	\$360,318
Reported liability in prior year	\$316,100
Estimated remaining usable capacity	5,500 Cubic Metres
Remaining landfill site life	4 to 7 years
Number of years required for post-closure care	15 years

Aulds Road Landfill

Total estimate expenditures for closure and post-closure care	\$360,318
Reported liability in prior year	\$184,700
Estimated remaining usable capacity	15,130 Cubic Metres
Remaining landfill site life	15 to 30 years
Number of years required for post-closure care	15 years

In 2017 the Municipality renewed its land use agreement with the Ministry of Natural Resources and Forestry for a 5 year period. The land on Auld's Road is being used as a land fill site by the Municipality. As part of the agreement the Municipality anticipates that it will be required to incur closure and post closure costs at the time that the capacity of the site is eventually fully utilized. The Municipality has accrued for its best estimate of these future costs in accordance with the proportionate remainder capacity and estimated future costs.

Subsequent to year-end the Municipality adopted PS 3280 Asset Retirement Obligations and derecognized the landfill closure and post-closure liability.

11. ASSET RETIREMENT OBLIGATIONS

The Municipality's asset retirement obligations consist of the following:

Landfill obligation

The Municipality is responsible for the operation and maintenance of two waste disposal sites. The costs are based on the currently known obligations that will exist at the estimated year of closure of the site and for 15 years after this date. The sites have remaining estimated useful lives of 5 and 28 years. Post-closure

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

care is estimated to be required for 15 years from the date of site closure. These costs were discounted to December 31, 2023 using a discount rate of 5.07% per annum.

	Aulds Road	Dunchurch
Closure date	2051	2028
Total capacity (m ²)	30,000	38,400
Discount rate (%)	5	5
Inflation rate (%)	4	4
Undiscounted expenditures	\$ 356,750	\$ 356,750

Changes in the Landfill closure and post-closure asset retirement obligations in the year are as follows:

	2023	2022
Opening balance	\$ -	\$ -
Adjustment on adoption of PS 3280 (Note 2)	550,170	-
Accretion expense	27,894	-
Less: settlement of obligations	-	-
	\$ 578,064	\$ -

12. CONTRACTUAL OBLIGATIONS

In 2003 the Municipality passed by-law No. 06-2003 related to an agreement to lease municipal land to the Liquor Control Board of Ontario. The lease had an initial term of ten years, commencing on June 1, 2003, and the tenant had extended the lease for additional five year terms. The tenant has agreed to further extend the lease for an additional five years expiring May 31, 2028. The annual rent is set at \$10,824 increasing \$276 annually from 2024 to 2026 and \$300 in 2028 and is payable in monthly instalments.

13. TANGIBLE CAPITAL ASSETS

Schedule 1 provides information on the tangible capital assets of the Municipality by major asset class. Additional information relating to these assets is provided below.

- (a) Contributed tangible capital assets
The Municipality records all tangible capital assets contributed by external parties at the fair market value. During the year \$797 (2022 \$354) such contributions were recorded. The 2023 contributions consisted primarily of library collections.
- (b) Works of art and historical treasures
Works of art and historical treasures owned by the Municipality are not included in the tangible capital assets reported on the Consolidated Statement of Financial Position. The Municipality owns a number of paintings and other pieces of artwork that are prominently displayed in municipal buildings as well as many historical artifacts.
- (c) Capitalization of interest
The Municipality has a policy of expensing borrowing costs related to the acquisition of tangible capital assets.

THE CORPORATION OF THE MUNICIPALITY OF WHITESTONE

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

14. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT

The Municipality and its Boards and Committees provide a wide range of services to its citizens. The schedule and 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 sanitary sewers, waterworks and 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 the municipality's annual Ontario Municipal Partnership Fund unconditional grant.

In preparation of segmented financial information, some allocation of expenses is made. This generally includes charges of rent to specific segments.

THE CORPORATION OF THE MUNICIPALITY OF WHITESTONE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023

14. SEGMENT DISCLOSURES AND EXPENDITURES 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 Culture	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,442,292	\$ 3,442,292
User fees	-	-	-	35,336	-	-	39,605	-	-	74,941
Government transfers	6,135	3,571	226,403	82,989	106,939	-	128,320	-	1,140,000	1,694,357
Other	16,336	173,042	2,000	-	47,335	-	19,247	40,355	243,684	541,999
Gain (Loss) on sale of capital assets	-	-	-	-	-	-	-	-	67,491	67,491
TOTAL REVENUE	22,471	176,613	228,403	118,325	154,274	-	187,172	40,355	4,893,467	5,821,080
EXPENSES										
Salaries, wages and benefits	716,122	268,929	539,117	122,455	1,507	-	62,795	-	-	1,710,925
Long-term debt charges (interest)	44,103	-	41,631	-	-	-	-	-	-	85,734
Operating expenses	441,408	567,928	751,788	165,322	252,332	345,568	261,877	43,910	-	2,830,133
Landfill	-	-	-	(472,906)	-	-	-	-	-	(472,906)
Amortization	41,138	33,636	531,821	86,733	5,701	-	104,436	300	-	803,765
TOTAL EXPENSES	1,242,771	870,493	1,864,357	(98,396)	259,540	345,568	429,108	44,210	-	4,957,651
ANNUAL SURPLUS (DEFICIT)	\$(1,220,300)	\$(693,880)	\$(1,635,954)	\$ 216,721	\$(105,266)	\$(345,568)	\$(241,936)	\$(3,855)	\$4,893,467	\$ 863,429

THE CORPORATION OF THE MUNICIPALITY OF WHITESTONE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023

14. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2022

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,168,864	\$ 3,168,864
User fees	-	-	-	46,270	-	-	22,009	-	-	68,279
Government transfers	14,099	3,856	362,384	72,175	297,070	-	133,003	-	988,300	1,870,887
Other	2,114	151,501	12,320	-	298,589	-	17,118	44,813	168,894	695,349
Gain (Loss) on sale of capital assets	-	-	-	-	-	-	-	-	17,351	17,351
TOTAL REVENUE	16,213	155,357	374,704	118,445	595,659	-	172,130	44,813	4,343,409	5,820,730
EXPENSES										
Salaries, wages and benefits	714,302	232,164	507,123	99,222	2,964	-	96,361	-	-	1,652,136
Long-term debt charges (interest)	12,881	-	35,644	-	-	-	-	-	-	48,525
Operating expenses	343,620	564,490	699,939	172,784	242,605	336,637	278,482	87,431	-	2,725,988
Landfill	-	-	-	18,300	-	-	-	-	-	18,300
Amortization	35,447	35,245	611,599	16,058	5,899	-	103,567	300	-	808,115
TOTAL EXPENSES	1,106,250	831,899	1,854,305	306,364	251,468	336,637	478,410	87,731	-	5,253,064
ANNUAL SURPLUS (DEFICIT)	\$(1,090,037)	\$(676,542)	\$(1,479,601)	\$(187,919)	\$ 344,191	\$(336,637)	\$(306,280)	\$(42,918)	\$4,343,409	\$ 567,666

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

15. BUDGET FIGURES

The unaudited budget adopted for the current year was prepared on a fund basis, and has been amended to conform with the accounting and reporting standards adopted for the current year actual results.

16. 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 \$134,574 million with respect to benefits accrued for service with actuarial assets at that date of \$130,372 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 the current year was \$100,955 (2022 \$91,125) for current service and is included as an expense on the Consolidated Statement of Operations.

17. CONTINGENT LIABILITY

In the normal course of business, the municipality is named to lawsuits related to its operations. Management is of the view these lawsuits are without merit and any settlement would not be material to the financial position of the municipality.

THE CORPORATION OF THE MUNICIPALITY OF WHITESTONE

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

2023

Schedule 1

	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL 2023	TOTAL 2022
COST								
Balance, beginning of year	\$ 2,580,977	\$ 4,608,342	\$ 1,943,672	\$ 2,269,662	\$ 13,338,008	\$ 963,492	\$ 25,704,153	\$ 23,459,453
Additions and betterments	652,351	44,368	260,583	55,804	202,356	183,914	1,399,376	2,289,793
Disposals and writedowns			(14,087)		-		(14,087)	(45,093)
BALANCE, END OF YEAR	3,233,328	4,652,710	2,190,168	2,325,466	13,540,364	1,147,406	27,089,442	25,704,153
ACCUMULATED AMORTIZATION								
Balance, beginning of year	701,135	1,296,386	1,074,329	1,598,017	9,649,664		14,319,531	13,556,509
Annual amortization	109,249	111,598	122,703	78,151	382,064		803,765	808,115
Amortization disposals			(14,087)		-		(14,087)	(45,093)
BALANCE, END OF YEAR	810,384	1,407,984	1,182,945	1,676,168	10,031,728		15,109,209	14,319,531
TANGIBLE CAPITAL ASSETS-NET	\$ 2,422,944	\$ 3,244,726	\$ 1,007,223	\$ 649,298	\$ 3,508,636	\$ 1,147,406	\$ 11,980,233	\$ 11,384,622

THE CORPORATION OF THE MUNICIPALITY OF WHITESTONE
2023 FINANCIAL HIGHLIGHTS

TAX RATES

	2023 Tax Rates (%)		2022 Tax Rates (%)	
	Municipality purposes	School Board purposes	Municipality purposes	School Board purposes
Residential and Farm	0.529680	0.153000	0.497352	0.153000
Farmland and Managed Forest	0.132420	0.038250	0.124338	0.038250
Commercial Occupied	0.529680	0.586377	0.497352	0.586377
Commercial Vacant	0.370776	0.586377	0.348146	0.586377
Industrial Occupied	0.529680	0.880000	0.497352	0.880000

TRANSACTIONS FOR THE SCHOOL BOARDS

	2023	2022
Payable at the beginning of the year	\$ 18,497	\$ 12,824
Taxation and payments-in-lieu, net of adjustments	1,010,967	991,966
Remitted during the year	(1,005,455)	(986,293)
Payable (Receivable) at the end of the year	\$ 24,009	\$ 18,497

These revenues and expenditures are not reflected in the Consolidated Statement of Operations.

YEAR END BALANCE OF TRUST FUNDS UNDER ADMINISTRATION

	2023	2022
Trust Funds	\$ 66,578	\$ 61,638

NOTES

1. The 2023 financial report consolidates the operations, assets and liabilities of the Municipality and its local cemetery and library boards.
2. The above data has been extracted from the audited 2023 Consolidated Financial Report of the Municipality and its local boards as described in Note 1. Copies of the 2023 Consolidated Financial Report and the Auditors' Report of Pahapill and Associates Professional Corporation, Chartered Professional Accountants, Huntsville, Ontario are available at the Municipality office to any resident who wishes to review or analyze the financial operations of the Municipality in greater detail.

THE CORPORATION OF THE MUNICIPALITY OF WHITESTONE

2023 FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 1,451,602	\$ 1,084,656
Accounts receivable	712,367	1,044,361
	2,163,969	2,129,017
LIABILITIES		
Accounts payable and accrued liabilities	585,624	562,103
Deferred revenue	122,041	189,320
Municipal debt	2,182,444	2,454,611
Landfill closure and post-closure liability	-	500,800
Asset retirement obligations	578,064	-
	3,468,173	3,706,834
NET FINANCIAL ASSETS (DEBT)	(1,304,204)	(1,577,817)
NON-FINANCIAL ASSETS		
Tangible capital assets - net	11,980,233	11,384,622
Inventories of supplies	21,649	33,485
Prepaid expenses	54,671	48,630
	12,056,553	11,466,737
ACCUMULATED SURPLUS	\$ 10,752,349	\$ 9,888,920

THE CORPORATION OF THE MUNICIPALITY OF WHITESTONE

2023 FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget 2023	Actual 2023	Actual 2022
REVENUE			
Property taxes	\$ 3,419,263	\$ 3,442,292	\$ 3,168,864
User fees	68,700	74,941	68,279
Government transfers	1,682,756	1,694,357	1,870,887
Other	420,541	541,999	695,349
Gain (loss) on disposal of capital assets	-	67,491	17,351
TOTAL REVENUE	5,591,260	5,821,080	5,820,730
EXPENSES			
General government	1,227,721	1,242,771	1,106,250
Protection to persons and property	863,517	870,493	831,899
Transportation services	1,802,511	1,864,357	1,854,305
Environmental services	366,815	374,510	288,064
Landfill	-	(472,906)	18,300
Health services	260,375	259,540	251,468
Social and family services	345,568	345,568	336,637
Recreation and culture	454,738	429,108	478,410
Planning and development	57,800	44,210	87,731
TOTAL EXPENSES	5,379,045	4,957,651	5,253,064
ANNUAL SURPLUS (DEFICIT)	212,215	863,429	567,666
ACCUMULATED SURPLUS, BEGINNING OF YEAR	9,888,920	9,888,920	9,321,254
ACCUMULATED SURPLUS, END OF YEAR	\$ 10,101,135	\$ 10,752,349	\$ 9,888,920












Whitestone_FS23

Final Audit Report

2024-08-12

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