

**Corporation of the Municipality of Callander**  
**Consolidated Financial Statements**  
For the year ended December 31, 2022

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**Consolidated Financial Statements**  
For the year ended December 31, 2022

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**INDEPENDENT AUDITOR'S REPORT**

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

*Opinion*

We have audited the consolidated financial statements of The Corporation of the Municipality of Callander, which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations, the consolidated change in its net financial assets 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 Callander as at December 31, 2022, 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.

*Other Matter*

The financial statements for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 8, 2022.

*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:



**PAHAPILL and ASSOCIATES Chartered Professional Accountants**  
**Professional Corporation**

- 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  
April 11, 2023

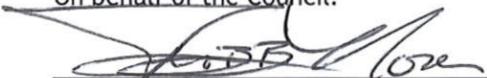
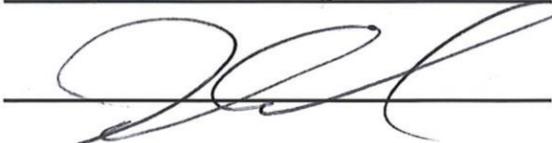
Pahapill and Associates Professional Corporation  
Chartered Professional Accountants  
Authorized to practise public accounting by  
The Chartered Professional Accountants of Ontario

**The Corporation of the Municipality of Callander  
Consolidated Statement of Financial Position**

| December 31                                          | 2022                 | 2021                 |
|------------------------------------------------------|----------------------|----------------------|
| <b>Financial assets</b>                              |                      |                      |
| Cash and cash equivalents                            | \$ 6,384,380         | \$ 6,844,487         |
| Taxes receivable (Note 2)                            | 439,409              | 340,363              |
| Accounts receivable (Note 3)                         | 1,944,710            | 816,410              |
|                                                      | <b>8,768,499</b>     | <b>8,001,260</b>     |
| <b>Liabilities</b>                                   |                      |                      |
| Accounts payable (Note 4)                            | 559,757              | 356,884              |
| Deferred revenue - other (Note 7)                    | 406,181              | 424,925              |
| Deferred revenue - obligatory reserve funds (Note 8) | 487,781              | 282,695              |
| Municipal debt (Note 6)                              | 1,811,082            | 2,032,996            |
|                                                      | <b>3,264,801</b>     | <b>3,097,500</b>     |
| <b>Net financial assets</b>                          | <b>5,503,698</b>     | <b>4,903,760</b>     |
| <b>Non-financial assets</b>                          |                      |                      |
| Tangible capital assets (Note 5)                     | 23,067,307           | 21,666,933           |
| Prepaid expenses                                     | 66,227               | 10,457               |
| Inventories                                          | 47,916               | 49,295               |
|                                                      | <b>23,181,450</b>    | <b>21,726,685</b>    |
| <b>Accumulated surplus (Note 9)</b>                  | <b>\$ 28,685,148</b> | <b>\$ 26,630,445</b> |

**Commitments (Note 11)**

On behalf of the Council:

  
 \_\_\_\_\_, Member of Council  
  
  
 \_\_\_\_\_, Member of Council

## The Corporation of the Municipality of Callander Consolidated Statement of Operations

| For the year ended December 31                | 2022<br>Budget       | 2022<br>Actual       | 2021<br>Actual       |
|-----------------------------------------------|----------------------|----------------------|----------------------|
| <b>Revenues</b>                               |                      |                      |                      |
| Property taxation                             | \$ 5,992,230         | \$ 6,082,165         | \$ 5,844,100         |
| User charges                                  | 1,443,383            | 1,363,544            | 1,479,970            |
| Provincial grants                             | 712,857              | 562,703              | 764,456              |
| Federal grants                                | 60,017               | 135,450              | 9,905                |
| Other                                         | 260,312              | 411,349              | 260,856              |
|                                               | <u>8,468,799</u>     | <u>8,555,211</u>     | <u>8,359,287</u>     |
| <b>Expenses (Note 16)</b>                     |                      |                      |                      |
| General government                            | 1,423,360            | 1,358,526            | 1,005,936            |
| Protection                                    | 1,295,595            | 1,150,296            | 1,297,827            |
| Transportation                                | 1,698,422            | 1,890,176            | 1,591,299            |
| Environmental                                 | 1,602,662            | 1,576,647            | 1,482,747            |
| Health services                               | 393,523              | 436,082              | 430,457              |
| Social and family services                    | 438,258              | 434,538              | 444,794              |
| Recreation and culture                        | 824,118              | 1,065,038            | 959,307              |
| Planning and development                      | 211,879              | 236,013              | 196,309              |
|                                               | <u>7,887,817</u>     | <u>8,147,316</u>     | <u>7,408,676</u>     |
| <b>Annual surplus before other revenues</b>   | <u>580,982</u>       | <u>407,895</u>       | <u>950,611</u>       |
| <b>Other revenues</b>                         |                      |                      |                      |
| Provincial capital grants                     | -                    | 1,029,787            | 111,214              |
| Federal capital grants                        | -                    | 617,021              | 601,412              |
|                                               | <u>-</u>             | <u>1,646,808</u>     | <u>712,626</u>       |
| <b>Annual surplus</b>                         | 580,982              | 2,054,703            | 1,663,237            |
| <b>Accumulated surplus, beginning of year</b> | <u>26,630,445</u>    | <u>26,630,445</u>    | <u>24,967,208</u>    |
| <b>Accumulated surplus, end of year</b>       | <u>\$ 27,211,427</u> | <u>\$ 28,685,148</u> | <u>\$ 26,630,445</u> |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

## The Corporation of the Municipality of Callander Statement of Change in Net Financial Assets

| For the year ended December 31                 | 2022<br>Budget | 2022<br>Actual | 2021<br>Actual |
|------------------------------------------------|----------------|----------------|----------------|
| <b>Annual surplus</b>                          | \$ 580,982     | \$ 2,054,703   | \$ 1,663,237   |
| Acquisition of tangible capital assets         | (2,700,000)    | (2,838,669)    | (1,390,045)    |
| Amortization of tangible capital assets        | 1,400,000      | 1,364,310      | 1,288,848      |
| Loss on disposition of tangible capital assets | -              | 62,293         | 8,405          |
| Proceeds on sale of tangible capital assets    | -              | 11,692         | 1,078          |
|                                                | (719,018)      | 654,329        | 1,571,523      |
| Change in prepaid expenses                     | -              | (55,770)       | 15,572         |
| Change in inventories                          | -              | 1,379          | (27,537)       |
| <b>Change in net financial assets</b>          | (719,018)      | 599,938        | 1,559,558      |
| <b>Net financial assets, beginning of year</b> | 4,903,760      | 4,903,760      | 3,344,202      |
| <b>Net financial assets, end of year</b>       | \$ 4,184,742   | \$ 5,503,698   | \$ 4,903,760   |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

## The Corporation of the Municipality of Callander Consolidated Statement of Cash Flows

| For the year ended December 31                               | 2022                | 2021                |
|--------------------------------------------------------------|---------------------|---------------------|
| <b>Cash provided by (used in)</b>                            |                     |                     |
| <b>Operating transactions</b>                                |                     |                     |
| Annual surplus                                               | \$ 2,054,703        | \$ 1,663,237        |
| Items not involving cash                                     |                     |                     |
| Amortization of tangible capital assets                      | 1,364,310           | 1,288,848           |
| Loss on disposal of tangible capital assets                  | 62,293              | 8,405               |
|                                                              | <u>3,481,306</u>    | <u>2,960,490</u>    |
| <b>Change in non-cash operating balances</b>                 |                     |                     |
| Prepaid expenses                                             | (55,770)            | 15,572              |
| Inventories                                                  | 1,379               | (27,537)            |
| Taxes receivable                                             | (99,046)            | 9,671               |
| Accounts receivable                                          | (1,128,300)         | (54,509)            |
| Accounts payable                                             | 202,873             | (75,664)            |
| Deferred revenues - obligatory                               | 205,086             | (7,605)             |
| Deferred revenues - other                                    | (18,744)            | 57,066              |
|                                                              | <u>2,588,784</u>    | <u>2,877,484</u>    |
| <b>Capital transactions</b>                                  |                     |                     |
| Acquisition of tangible capital assets                       | (2,838,669)         | (1,390,045)         |
| Proceeds on disposition of tangible capital assets           | 11,692              | 1,078               |
|                                                              | <u>(2,826,977)</u>  | <u>(1,388,967)</u>  |
| <b>Financing transactions</b>                                |                     |                     |
| Municipal debt repaid                                        | (221,914)           | (214,555)           |
|                                                              | <u>(221,914)</u>    | <u>(214,555)</u>    |
| <b>Decrease in cash and cash equivalents during the year</b> | (460,107)           | 1,273,962           |
| <b>Cash and cash equivalents, beginning of year</b>          | <u>6,844,487</u>    | <u>5,570,525</u>    |
| <b>Cash and cash equivalents, end of year</b>                | <u>\$ 6,384,380</u> | <u>\$ 6,844,487</u> |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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# The Corporation of the Municipality of Callander Summary of Significant Accounting Policies

December 31, 2022

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## 1. Summary of Accounting Policies

### **Management's Responsibility**

These consolidated financial statements of Corporation of the Municipality of Callander (the "Municipality") are the representations of management. They have been prepared in accordance with accounting policies recommended by Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic consolidated financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement. The Municipality provides municipal services such as general government, building, protection to persons, transportation, environmental, health, social family, recreation, culture, planning and development services.

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# The Corporation of the Municipality of Callander

## Summary of Significant Accounting Policies

December 31, 2022

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### 1. Summary of Accounting Policies (continued)

#### Basis of Consolidation

These consolidated financial statements reflect the financial assets, liabilities, non-financial assets, accumulated surplus, revenues and expenses of the Municipality and include the activities of all committees of Council and of the Callander Public Library Board.

All inter-funded assets and liabilities and revenues and expenses have been eliminated

#### Non-Consolidated Entities

The following joint local boards are not consolidated:

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

#### Accounting for School Board Transactions

The Municipality is required to collect and remit education support levies in respect of residential and other properties on behalf of the area school boards. The Municipality has no jurisdiction or control over the school boards operations. Therefore, taxation, other revenue expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the accumulated surplus of these consolidated financial statements.

#### Cemetery Care and Maintenance Fund

Cemetery Care and Maintenance Fund and their related operations administered by the Municipality are not consolidated, but are reported separately on the Cemetery Care and Maintenance Fund's Statement of Continuity and Statement of Financial Position.

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## The Corporation of the Municipality of Callander Summary of Significant Accounting Policies

December 31, 2022

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### 1. Summary of Accounting Policies (continued)

#### Cash and Cash Equivalents

The Municipality's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with maturities of three months from the date of acquisition or less or those that can be readily convertible to cash.

#### Accrual Basis

The Accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods and services and the creation of a legal obligation to pay.

#### Deferred Revenues

Deferred revenues represent user charges and fees that have been collected for which the related services have yet to be performed. Revenue is recognized in the period when the services are performed.

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# The Corporation of the Municipality of Callander

## Summary of Significant Accounting Policies

December 31, 2022

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### 1. Summary of Accounting Policies (continued)

#### Non-Financial Assets

Non-Financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the Consolidated Change in Net Financial Assets for the year.

#### Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

|                                    |                |
|------------------------------------|----------------|
| Land improvements                  | 20 years       |
| Buildings                          | 50 years       |
| Roads                              | 5 - 60 years   |
| Water and sewer system             | 60 years       |
| Marina                             | 25 to 80 years |
| Vehicles                           | 8 to 20 years  |
| Computers and software             | 5 years        |
| Machinery, equipment and furniture | 5 - 20 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.

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

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## The Corporation of the Municipality of Callander Summary of Significant Accounting Policies

December 31, 2022

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### 1. Summary of Accounting Policies (continued)

|                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Inventories</b><br>of and replacement cost                   | Inventories held for consumption are recorded at the lower                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Prepaid expenses</b>                                         | Prepaid expenses represent amounts paid in advance for a good or service not yet received. The expense is recognized once the goods have been received or the services have been performed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Retirement Benefits and<br/>Other Employee Benefit Plans</b> | <p>The Municipality's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred.</p> <p>The Municipality is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Municipality has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Municipality records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.</p> |
| <b>Collection of Taxes on Behalf<br/>of School Boards</b>       | The Municipality collects taxation revenue on behalf of the school boards. The taxation revenues, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

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# The Corporation of the Municipality of Callander

## Summary of Significant Accounting Policies

December 31, 2022

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### 1. Summary of Accounting Policies (continued)

#### Revenue Recognition

- a. **Taxation** Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.
- b. **Government Transfers** Government transfers, which include legislative grants, are recognized in the financial statements in the period in which the events giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be determined.
- Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.
- Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.
- c. **User Fees and Other** User fees and other revenue are recognized on an accrual basis as services are rendered and collection is reasonably assured.

#### Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant items subject to such estimates and assumptions include allowances for doubtful accounts, other accrued liabilities and/or obligations and the amounts recorded for amortization and opening costs of tangible capital assets.

## The Corporation of the Municipality of Callander Notes to Consolidated Financial Statements

December 31, 2022

### 2. Taxes Receivable

|                        | 2022       | 2021       |
|------------------------|------------|------------|
| Current taxes          | \$ 248,705 | \$ 208,380 |
| Arrears taxes          | 155,654    | 101,691    |
| Interest and penalties | 35,050     | 30,292     |
|                        | \$ 439,409 | \$ 340,363 |

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, the requisition made by the various local boards in respect of Regional 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.

### 3. Accounts Receivable

|                     | 2022         | 2021       |
|---------------------|--------------|------------|
| Federal             | \$ 1,120,550 | \$ 384,332 |
| Province of Ontario | 536,103      | 49,703     |
| User charges        | 271,119      | 345,862    |
| Other               | 16,938       | 36,513     |
|                     | \$ 1,944,710 | \$ 816,410 |

### 4. Accounts Payable and Accrued Liabilities

|                     | 2022       | 2021       |
|---------------------|------------|------------|
| Federal             | \$ -       | \$ 27,954  |
| Province of Ontario | -          | 8,846      |
| Trade payables      | 443,398    | 208,467    |
| Other               | 116,359    | 111,617    |
|                     | \$ 559,757 | \$ 356,884 |

**The Corporation of the Municipality of Callander  
Notes to Consolidated Financial Statements**

December 31, 2022

**5. Tangible Capital Assets**

|                                             | <b>2022</b>         |                     |                     |                     |                                  |                     |                      |                     |                              |                           |                      |
|---------------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------------------|---------------------|----------------------|---------------------|------------------------------|---------------------------|----------------------|
|                                             | Land                | Land Improvement    | Roadways            | Building            | Machinery, equipment & furniture | Vehicles            | Water & Sewer system | Marina              | Computer hardware & software | Assets under construction | Total                |
| Cost, beginning of year                     | \$ 1,500,971        | \$ 1,079,996        | \$ 15,838,582       | \$ 7,079,818        | \$ 850,556                       | \$ 3,066,454        | \$ 12,937,394        | \$ 2,012,552        | \$ 547,447                   | \$ 226,806                | \$ 45,140,576        |
| Additions                                   | -                   | 500,676             | 1,515,474           | 45,130              | 160,428                          | 164,695             | -                    | 92,284              | 25,324                       | 334,658                   | 2,838,669            |
| Disposals                                   | -                   | (64,447)            | (454,973)           | (32,000)            | -                                | (26,572)            | -                    | (61,870)            | -                            | -                         | (639,862)            |
| Adjustments                                 | -                   | 382,854             | 5,319               | -                   | -                                | -                   | -                    | -                   | -                            | (388,173)                 | -                    |
| Cost, end of year                           | <u>1,500,971</u>    | <u>1,899,079</u>    | <u>16,904,402</u>   | <u>7,092,948</u>    | <u>1,010,984</u>                 | <u>3,204,577</u>    | <u>12,937,394</u>    | <u>2,042,966</u>    | <u>572,771</u>               | <u>173,291</u>            | <u>47,339,383</u>    |
| Accumulated amortization, beginning of year | -                   | 686,557             | 9,984,879           | 3,129,600           | 659,719                          | 1,453,237           | 6,896,215            | 240,338             | 423,098                      | -                         | 23,473,643           |
| Amortization                                | -                   | 102,239             | 486,170             | 181,131             | 40,498                           | 174,712             | 318,325              | 31,877              | 29,358                       | -                         | 1,364,310            |
| Disposals                                   | -                   | (64,447)            | (424,937)           | (31,360)            | -                                | (26,572)            | -                    | (18,561)            | -                            | -                         | (565,877)            |
| Accumulated amortization, end of year       | -                   | <u>724,349</u>      | <u>10,046,112</u>   | <u>3,279,371</u>    | <u>700,217</u>                   | <u>1,601,377</u>    | <u>7,214,540</u>     | <u>253,654</u>      | <u>452,456</u>               | -                         | <u>24,272,076</u>    |
| Net carrying amount, end of year            | <u>\$ 1,500,971</u> | <u>\$ 1,174,730</u> | <u>\$ 6,858,290</u> | <u>\$ 3,813,577</u> | <u>\$ 310,767</u>                | <u>\$ 1,603,200</u> | <u>\$ 5,722,854</u>  | <u>\$ 1,789,312</u> | <u>\$ 120,315</u>            | <u>\$ 173,291</u>         | <u>\$ 23,067,307</u> |

**The Corporation of the Municipality of Callander  
Notes to Consolidated Financial Statements**

December 31, 2022

5. Tangible Capital Assets (continued)

|                                             | 2021         |                  |               |              |                                  |              |                      |              |                                |                           |               |
|---------------------------------------------|--------------|------------------|---------------|--------------|----------------------------------|--------------|----------------------|--------------|--------------------------------|---------------------------|---------------|
|                                             | Land         | Land Improvement | Roadways      | Buildings    | Machinery, Equipment & Furniture | Vehicles     | Water & sewer system | Marina       | Computer hardware and software | Assets under construction | Total         |
| Cost, beginning of year                     | \$ 1,503,555 | \$ 1,079,996     | \$ 15,167,975 | \$ 7,042,170 | \$ 829,662                       | \$ 2,862,578 | \$ 12,867,551        | \$ 2,012,552 | \$ 533,159                     | \$ 69,508                 | \$ 43,968,706 |
| Additions                                   | -            | -                | 876,450       | 36,183       | 24,551                           | 203,876      | 69,843               | -            | 14,288                         | 164,854                   | 1,390,045     |
| Disposals                                   | (2,584)      | -                | (205,843)     | -            | (3,657)                          | -            | -                    | -            | -                              | (6,091)                   | (218,175)     |
| Adjustments                                 | -            | -                | -             | 1,465        | -                                | -            | -                    | -            | -                              | (1,465)                   | -             |
| Cost, end of year                           | 1,500,971    | 1,079,996        | 15,838,582    | 7,079,818    | 850,556                          | 3,066,454    | 12,937,394           | 2,012,552    | 547,447                        | 226,806                   | 45,140,576    |
| Accumulated amortization, beginning of year | -            | 613,670          | 9,772,028     | 2,950,852    | 617,486                          | 1,282,349    | 6,560,287            | 208,293      | 388,522                        | -                         | 22,393,487    |
| Amortization                                | -            | 72,887           | 418,694       | 178,748      | 45,082                           | 170,888      | 335,928              | 32,045       | 34,576                         | -                         | 1,288,848     |
| Disposals                                   | -            | -                | (205,843)     | -            | (2,849)                          | -            | -                    | -            | -                              | -                         | (208,692)     |
| Accumulated amortization, end of year       | -            | 686,557          | 9,984,879     | 3,129,600    | 659,719                          | 1,453,237    | 6,896,215            | 240,338      | 423,098                        | -                         | 23,473,643    |
| Net carrying amount, end of year            | \$ 1,500,971 | \$ 393,439       | \$ 5,853,703  | \$ 3,950,218 | \$ 190,837                       | \$ 1,613,217 | \$ 6,041,179         | \$ 1,772,214 | \$ 124,349                     | \$ 226,806                | \$ 21,666,933 |

**The Corporation of the Municipality of Callander  
Notes to Consolidated Financial Statements**

**December 31, 2022**

**6. Municipal Debt**

|                                                                                                                                    | 2022                | 2021                |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Debenture, repayable in monthly installments of \$2,918 including interest at the fixed rate of 3.12%, maturing December 2, 2023   | \$ 34,435           | \$ 67,814           |
| Debenture, repayable in monthly installments of \$4,548 including interest at the fixed rate of 3.62%, maturing December 2, 2028   | 293,950             | 337,038             |
| Debenture, repayable in monthly installments of \$9,9550 including interest at the fixed rate of 3.03%, maturing December 22, 2029 | 722,014             | 813,232             |
| Debenture, repayable in monthly installments of \$7,107 including interest at the fixed rate of 3.93%, maturing December 2, 2033   | 760,683             | 814,912             |
|                                                                                                                                    | <b>\$ 1,811,082</b> | <b>\$ 2,032,996</b> |

Principal repayments for the next five years and thereafter are as follows:

|            |           |                  |
|------------|-----------|------------------|
| 2023       | \$        | 229,529          |
| 2024       |           | 201,884          |
| 2025       |           | 208,913          |
| 2026       |           | 216,190          |
| 2027       |           | 225,000          |
| Thereafter |           | 729,566          |
|            | <b>\$</b> | <b>1,811,082</b> |

## The Corporation of the Municipality of Callander Notes to Consolidated Financial Statements

December 31, 2022

### 7. Deferred Revenue

|                        | Balance as at<br>December<br>30, 2021 | Amounts<br>received<br>during the<br>year | Recognized as<br>revenue during<br>the year | Balance as at<br>December 31,<br>2022 |
|------------------------|---------------------------------------|-------------------------------------------|---------------------------------------------|---------------------------------------|
| Planning               | \$ 34,920                             | \$ -                                      | \$ -                                        | \$ 34,920                             |
| Library Fund           | 334,120                               | 17,995                                    | -                                           | 352,115                               |
| Modernization<br>Grant | 35,354                                | 127,853                                   | 149,989                                     | 13,218                                |
| Other                  | 20,531                                | 14,233                                    | 28,173                                      | 5,928                                 |
| <b>Total Deferred</b>  | <b>\$ 424,925</b>                     | <b>\$ 32,228</b>                          | <b>\$ 149,989</b>                           | <b>\$ 406,181</b>                     |

### 8. Deferred Revenues - Obligatory Reserve Funds

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balance in the obligatory reserve funds of the Municipality are summarized below;

|                        | December as<br>at December<br>31, 2021 | Amounts<br>received during<br>the year | Recognized as<br>revenues<br>during the year | Balance as at<br>December<br>31, 2022 |
|------------------------|----------------------------------------|----------------------------------------|----------------------------------------------|---------------------------------------|
| Development<br>charges | \$ 221,674                             | \$ 34,667                              | \$ 4,094                                     | \$ 252,247                            |
| Safe restart           | 61,021                                 | -                                      | 61,021                                       | -                                     |
| NORDS & OCIF           | -                                      | 230,534                                | -                                            | 230,534                               |
| Parkland               | -                                      | 5,000                                  | -                                            | 5,000                                 |
| <b>Total</b>           | <b>\$ 282,695</b>                      | <b>\$ 270,201</b>                      | <b>\$ 4,094</b>                              | <b>\$ 487,781</b>                     |

**The Corporation of the Municipality of Callander  
Notes to Consolidated Financial Statements**

**December 31, 2022**

**9. Accumulated Surplus**

The Municipality segregates its accumulated surplus in the following categories:

|                                     | <u>2022</u>              | <u>2021</u>              |
|-------------------------------------|--------------------------|--------------------------|
| Invested in tangible capital assets | \$ 23,067,307            | \$ 21,666,933            |
| General and Library                 | 395,999                  | 180,915                  |
| Reserves and Reserve funds          | 7,032,924                | 6,815,593                |
| Unfunded - Municipal debt           | <u>(1,811,082)</u>       | <u>(2,032,996)</u>       |
| <br>Accumulated Surplus             | <br><u>\$ 28,685,148</u> | <br><u>\$ 26,630,445</u> |
| <br>Reserves and Reserve funds:     |                          |                          |
| Working capital                     | 827,321                  | 888,411                  |
| Water and wastewater                | 1,809,117                | 1,611,953                |
| Library services                    | 401,749                  | 381,749                  |
| Protection services                 | 207,990                  | 209,187                  |
| Community development               | 1,000                    | 24,184                   |
| Road maintenance and equipment      | 1,705,911                | 2,341,634                |
| Museum building                     | 8,436                    | 7,130                    |
| Building upgrades and replacements  | 1,238,604                | 955,500                  |
| Election                            | 17,388                   | 24,703                   |
| Tax rate stabilization              | 491,234                  | 113,302                  |
| Parks and recreation facilities     | 324,174                  | 257,840                  |
|                                     | <br><u>\$ 7,032,924</u>  | <br><u>\$ 6,815,593</u>  |

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## The Corporation of the Municipality of Callander Notes to Consolidated Financial Statements

December 31, 2022

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### 10. Ontario Municipal Employees Retirement System

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer pension plan, on behalf of all permanent, full-time and qualifying part-time members of 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. The OMERS administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to over half a million active and retired members and 1,000 employers.

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. On December 31, 2022, the estimated accrued pension obligation for all members of the plan was \$128,789 million (2021 - \$119,342 million). The plan had an actuarial value of net assets at that date of \$122,111 million (2021 - \$116,211) indicating an actuarial deficit of \$6,678 million (2021 - \$3,131 million). The plan is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario Municipal organizations and their employee. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed by the Municipality to OMERS for 2022 was \$156,662 (2021 - \$145,872) for current services and is included as an expense on the Consolidated Statement of Operations.

On January 1, 2022, the yearly maximum pension earnings increased to \$64,900 from \$61,600 in 2021. The contributions are calculated at a rate of 9.0% (2021 - 9.0%) for the amount up to the yearly maximum pension earnings stated above at a rate of 14.6% (2021 - 14.6%) for the amount above the yearly maximum pension earnings.

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### 11. Commitments

During the year the Municipality entered into the following contracts that remain incomplete as of December 31, 2022:

- Landsdowne reconstruction holdback of approximately \$89,656.
- Rink boards at Bill Barber of approximately \$16,600
- Pay equity review of approximately \$4,746.
- Creation and planning of brochures of approximately \$3,500.

At December 31, 2022, there was approximately \$114,502 of work remaining to be completed.

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## The Corporation of the Municipality of Callander Notes to Consolidated Financial Statements

**December 31, 2022**

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### 12. Taxation collected on behalf of School Boards

The taxation collected on behalf of school board and not included in Taxation revenue of the municipality is as follows;

|                                      | 2022                | 2021                |
|--------------------------------------|---------------------|---------------------|
| Taxation                             | <b>\$ 1,051,013</b> | <b>\$ 1,043,441</b> |
| Total amounts received or receivable | <b>1,051,013</b>    | <b>1,043,441</b>    |
| Requisitions                         | <b>1,044,704</b>    | <b>(1,043,441)</b>  |
| Payable to school boards             | <b>\$ 6,309</b>     | <b>\$ -</b>         |

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### 13. Contributions to Unconsolidated Joint Local Boards

The following contributions were made by the Municipality to these boards;

|                                                      | 2022              | 2021              |
|------------------------------------------------------|-------------------|-------------------|
| District of Parry Sound Social Services Admin. Board | <b>\$ 240,483</b> | <b>\$ 239,438</b> |
| District of Parry Sound Land Ambulance               | <b>181,930</b>    | <b>172,281</b>    |
| District of Parry Sound (East) Home for the Aged     | <b>194,055</b>    | <b>201,636</b>    |
| North Bay Parry Sound District Health Unit           | <b>127,770</b>    | <b>123,707</b>    |
|                                                      | <b>\$ 744,238</b> | <b>\$ 737,062</b> |

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### 14. Cemetery Care and Maintenance Fund

Cemetery Care and Maintenance Fund administered by the Municipality amounting to \$128,084 (2021 - \$128,067) have not been included in the consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

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## The Corporation of the Municipality of Callander Notes to Consolidated Financial Statements

December 31, 2022

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### 15. Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by Council. The budget approved by Council is based on a model used to manage departmental spending within the guidelines of the model. Given the differences between the model and generally accepted accounting principles established by the Public Sector Accounting Board, the budget figures presented have been adjusted to conform with the basis of accounting that is used to prepare the consolidated financial statements. The budget figures are unaudited.

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# The Corporation of the Municipality of Callander

## Notes to Consolidated Financial Statements

December 31, 2022

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### 16. Segmented Information Disclosures

The Municipality is a diversified municipal government institution that provides a wide range of services to its citizens such as public housing, police and fire. Distinguishable functional segments have been separately disclosed in the segmented information. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter segment transfers are measured on the basis of the percentage of budgeted expenses. The nature of the segments and the activities they encompass are as follows:

#### General Government

This relates to the revenues and expenditures that relate to Municipality's Council functions, the operation of the Municipality itself and services provided including maintenance and enforcement of building and construction codes and cannot be directly attributed to other specific segments below.

#### Protection to Persons

Protection is comprised of police services, emergency management and fire protection. The police services work to ensure the safety and protection of the citizens and their property.

#### Transportation Services

Transportation is responsible for maintaining the Municipality's roadway systems.

#### Environmental Services

Environmental services consists of providing waste disposal to citizens.

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# The Corporation of the Municipality of Callander Notes to Consolidated Financial Statements

December 31, 2022

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## 16. Segmented Information Disclosures (continued)

### Health, Social and Family Services

Health services are comprised of public health services which works to improve the overall health of the population and overcome health inequalities by providing services to individuals and communities. Social and family services provides services that are meant to help the less fortunate in society. Social housing is provided to help shelter families and elderly in need. Child care funding is provided to subsidize day cares and to provide early learning programs. The ambulance service transports the injured to the hospital and provides emergency medical care to those in distress.

### Recreation and Culture

Recreation and culture represents cultural activity support within the Municipality. This includes parks and library services.

### Planning and Development

This department provides a number of services including municipal planning and review of all property development plans through its application process.

**The Corporation of the Municipality of Callander  
Notes to Consolidated Financial Statements**

December 31, 2022

16. Segmented Information Disclosures (continued) 1,306,308

|                                                 | Council<br>and General<br>Government | Protection<br>Services | Transportation<br>Services | Environmental<br>Services | Health<br>Services | Social and<br>Family Services | Recreation and<br>Cultural Services | Planning and<br>Development | 2022<br>Total       |
|-------------------------------------------------|--------------------------------------|------------------------|----------------------------|---------------------------|--------------------|-------------------------------|-------------------------------------|-----------------------------|---------------------|
| <b>Revenues</b>                                 |                                      |                        |                            |                           |                    |                               |                                     |                             |                     |
| Taxation                                        | \$ 825,825                           | \$ 1,065,453           | \$ 1,306,308               | \$ 1,217,264              | \$ 353,384         | \$ 434,538                    | \$ 714,321                          | \$ 165,000                  | \$ 6,082,165        |
| User fees                                       | 8,872                                | 20,940                 | 550                        | 1,196,196                 | 11,463             | -                             | 59,000                              | 66,523                      | 1,363,544           |
| Grants/Transfer payments                        |                                      |                        |                            |                           |                    |                               |                                     |                             |                     |
| Provincial                                      | 238,121                              | 31,080                 | 245,031                    | 26,759                    | -                  | -                             | 21,712                              | -                           | 562,703             |
| Federal                                         | 80,400                               | -                      | -                          | 154                       | -                  | -                             | 55,050                              | -                           | 135,450             |
| Other                                           | 237,684                              | 56,130                 | 10,465                     | -                         | 82,661             | -                             | 19,765                              | 4,490                       | 411,349             |
|                                                 | <u>1,390,902</u>                     | <u>1,173,603</u>       | <u>1,562,426</u>           | <u>2,440,373</u>          | <u>447,508</u>     | <u>434,538</u>                | <u>869,848</u>                      | <u>236,013</u>              | <u>8,555,211</u>    |
| <b>Expenses</b>                                 |                                      |                        |                            |                           |                    |                               |                                     |                             |                     |
| Salaries and benefits                           | 851,681                              | 340,585                | 615,170                    | 17,102                    | 3,889              | -                             | 427,343                             | 104,457                     | 2,360,227           |
| Interest                                        | -                                    | -                      | 1,641                      | 54,457                    | -                  | -                             | -                                   | 11,491                      | 67,589              |
| Materials                                       | 477,717                              | 652,901                | 668,778                    | 1,138,323                 | 87,101             | -                             | 384,801                             | 120,065                     | 3,529,686           |
| Transfers to other government<br>and the public | -                                    | 59,308                 | -                          | -                         | 331,658            | 434,538                       | -                                   | -                           | 825,504             |
| Amortization expense                            | 29,128                               | 97,502                 | 604,587                    | 366,765                   | 13,434             | -                             | 252,894                             | -                           | 1,364,310           |
|                                                 | <u>1,358,526</u>                     | <u>1,150,296</u>       | <u>1,890,176</u>           | <u>1,576,647</u>          | <u>436,082</u>     | <u>434,538</u>                | <u>1,065,038</u>                    | <u>236,013</u>              | <u>8,147,316</u>    |
| Annual surplus before other rev                 | 32,376                               | 23,307                 | (327,750)                  | 863,726                   | 11,426             | -                             | (195,190)                           | -                           | 407,895             |
| Federal capital grants                          | 500,000                              | -                      | -                          | -                         | -                  | -                             | 117,021                             | -                           | 617,021             |
| Provincial capital grants                       | -                                    | -                      | 575,014                    | -                         | -                  | -                             | 454,773                             | -                           | 1,029,787           |
| Annual surplus (deficit)                        | <u>\$ 532,376</u>                    | <u>\$ 23,307</u>       | <u>\$ 247,264</u>          | <u>\$ 863,726</u>         | <u>\$ 11,426</u>   | <u>\$ -</u>                   | <u>\$ 376,604</u>                   | <u>\$ -</u>                 | <u>\$ 2,054,703</u> |

**The Corporation of the Municipality of Callander  
Notes to Consolidated Financial Statements**

December 31, 2022

16. Segmented Information Disclosures (continued)

|                                                                    | Council<br>and General<br>Government | Protection<br>to Persons | Transportation<br>Services | Environmental<br>Services | Health<br>Services | Social and<br>Family Services | Recreation and<br>Cultural Services | Planning and<br>Development | 2021<br>Total       |
|--------------------------------------------------------------------|--------------------------------------|--------------------------|----------------------------|---------------------------|--------------------|-------------------------------|-------------------------------------|-----------------------------|---------------------|
| <b>Revenues</b>                                                    |                                      |                          |                            |                           |                    |                               |                                     |                             |                     |
| Taxation                                                           | \$ 793,501                           | \$ 1,023,750             | \$ 1,255,246               | \$ 1,169,618              | \$ 339,552         | \$ 350,862                    | \$ 756,719                          | \$ 154,852                  | \$ 5,844,100        |
| User fees                                                          | 3,867                                | 24,734                   | 250                        | 1,305,309                 | 14,005             | -                             | 27,904                              | 103,901                     | 1,479,970           |
| Grants/Transfer payments                                           |                                      |                          |                            |                           |                    |                               |                                     |                             |                     |
| Provincial                                                         | 159,662                              | 148,965                  | 123,869                    | 146,553                   | 33,507             | 34,623                        | 101,996                             | 15,281                      | 764,456             |
| Grants/Transfer payments                                           |                                      |                          |                            |                           |                    |                               |                                     |                             |                     |
| Federal                                                            | -                                    | -                        | -                          | -                         | -                  | -                             | 9,905                               | -                           | 9,905               |
| Other                                                              | 15,345                               | 64,259                   | 32,304                     | 25,230                    | 84,749             | 6,263                         | 37,025                              | (4,319)                     | 260,856             |
|                                                                    | <u>972,375</u>                       | <u>1,261,708</u>         | <u>1,411,669</u>           | <u>2,646,710</u>          | <u>471,813</u>     | <u>391,748</u>                | <u>933,549</u>                      | <u>269,715</u>              | <u>8,359,287</u>    |
| <b>Expenses</b>                                                    |                                      |                          |                            |                           |                    |                               |                                     |                             |                     |
| Salaries and benefits                                              | 651,479                              | 317,819                  | 561,466                    | 25,923                    | 4,142              | -                             | 373,029                             | 102,116                     | 2,035,974           |
| Interest                                                           | -                                    | -                        | 2,665                      | 59,243                    | -                  | -                             | -                                   | 13,020                      | 74,928              |
| Materials                                                          | 321,313                              | 828,090                  | 492,565                    | 1,016,454                 | 95,155             | -                             | 353,621                             | 81,173                      | 3,188,371           |
| Transfers to other government<br>and the public                    | -                                    | 58,035                   | -                          | -                         | 317,726            | 444,794                       | -                                   | -                           | 820,555             |
| Amortization expense                                               | 33,144                               | 93,883                   | 534,603                    | 381,127                   | 13,434             | -                             | 232,657                             | -                           | 1,288,848           |
|                                                                    | <u>1,005,936</u>                     | <u>1,297,827</u>         | <u>1,591,299</u>           | <u>1,482,747</u>          | <u>430,457</u>     | <u>444,794</u>                | <u>959,307</u>                      | <u>196,309</u>              | <u>7,408,676</u>    |
| Annual surplus (deficit)<br>Before other revenues                  | (33,561)                             | (36,119)                 | (179,630)                  | 1,163,963                 | 41,356             | (53,046)                      | (25,758)                            | 73,406                      | 950,611             |
| Government grants and transfers<br>related to capital - Provincial | -                                    | -                        | 91,214                     | -                         | -                  | -                             | 20,000                              | -                           | 111,214             |
| Government grants and transfers<br>related to capital - Federal    | -                                    | -                        | 521,412                    | -                         | -                  | -                             | 80,000                              | -                           | 601,412             |
| Annual surplus (deficit)                                           | <u>\$ (33,561)</u>                   | <u>\$ (36,119)</u>       | <u>\$ 432,996</u>          | <u>\$ 1,163,963</u>       | <u>\$ 41,356</u>   | <u>\$ (53,046)</u>            | <u>\$ 74,242</u>                    | <u>\$ 73,406</u>            | <u>\$ 1,663,237</u> |