



**Regular Council Agenda
June 17, 2022 – 9:00 AM
Municipal Office - Council Chambers
6648 Road 506, Plevna
[Zoom Registration](#)**

Page

1. Call to Order

- a) Delegating Deputy Mayor as Chair of Meeting

Be It Resolved That Council approves Deputy Mayor Martin as the Chair of today's Council Meeting, as the Mayor is participating in the meeting electronically.

2. Approval of Agenda

- a) **June 17, 2022**

Be It Resolved That Council approves the Agenda for the Regular Meeting of Council dated June 17, 2022, as circulated.

3. Disclosure of Pecuniary Interest and General Nature Thereof

4. Business Introductions

- a) Land O' Lakes Rescue Petting Farm

Be It Resolved That Council receives for information the Business Profile of Land O' Lakes Rescue Petting Farm provided by Councillor Inglis, Chair of the Economic Development Task Force (EDTF).

5. Presentations

- a) Senior of the Year Award - Brenda Martin

Be It Resolved That Council presents the 2022 Senior of the Year Award to Brenda Martin and wishes to express their gratitude to Brenda for her contributions to the Community.

6. Delegations

None.

7. Adoption of Minutes

a) **Minutes of Meeting(s) to be Adopted by Council**

Be It Resolved That Council adopts the Minutes of Regular Meeting of Council dated May 20, 2022, as circulated.

8. Business Arising from the Minutes

a) Resolution #03-22 for Personnel and Audit Committee (P&A) - Benefits

Be It Resolved That on May 26, 2022 the Personnel and Audit Committee passed Motion #03-22 receiving for information the presentation by Michael Poaps and Matt Picciano, Consultants, Gallagher, regarding Council and Employee Benefits;

And That based on Gallagher results from testing the market for plan improvements and their recommendation, the Committee recommended Council consider the following:

1. To implementation of an early retiree class for full-time Employees, with a minimum age of 60 and maximum age of 65 (end of the month of the retiree's 65th birthday), with at least 20 years of service and they must maintain an unreduced OMERS Pension; and the plan design would mirror the existing health and dental plan; however, there would be no LTD coverage, no AD&D coverage and a maximum flat rate of \$25,000 for a Life Insurance benefit; overall prescription drug cap and reduced Out of Country Travel Coverage amount.
2. Accept the quote from Canada Life being the lowest premiums quote received for the same as our current Employee Benefit plan; plus the following four plan enhancements: i) add Dependent Life \$15,000 Spouse, \$7,500 Child; ii) add Major Dental coverage to 50%, \$2,000 combined maximum Basic and Major (routine coverage at 80%); iii) Prescription Drugs at 80% coinsurance, 90% coinsurance with PocketPills or Costco; and 24 month Survivor Period Coverage.
3. In accordance with the 2019-2022 Township's Strategic Goal to assist with attracting a diverse Council for the 2022 and future elections, as Benefit Options through a new benefit plan would be cost prohibited, implement a Healthcare Spending Account for Council Members at \$1,000 each per year for medical, dental, vision, etc. benefits that are Canada Revenue Agency approved.
4. Appoint Gallagher as the Broker for Councillor AD&D and travel insurance; and that Gallagher bring back some options for Council's consideration.

And That this motion be considered under Business Arising prior to the Personnel and Audit Minutes being adopted;

And That Council approves the recommendations from the Personnel and Audit Committee.

b) Resolution #214-22 - Naloxone Training, Costs and Legislative Requirements

Whereas at their meeting on May 20, 2022, Council passed Resolution #214-22 receiving for information the Director of Emergency Services/Fire Chief's (DESFC) Administrative Report entitled "Bill 88, Working for Workers Act 2022 – Naloxone"; and that Council instructed the DESFC to bring back additional information to Council regarding training, cost and legislative requirements;

Therefore Be It Resolved That Council receives for information an email dated June 2, 2022 from the DESFC in response to Council's questions:

1. All employees will need to be trained on the administration of naloxone. Training only takes 10 to 20 minutes. Employees can be trained during our onboarding process and training can be refreshed annually by the Occupation Health and Safety Coordinator (OHSC). There would be no direct cost to provide the training. Naloxone can be administered by nasal spray or an injection. It is recommended the nasal spray be used in our workplace to avoid any potential sharps incidences.
2. Costs associated with naloxone would be approximately \$1380 per year for the Naloxone spray. Currently there are no provisions by the Ministry of Labour, Training and Skills Development (MO:L) to provide businesses and workplaces with free naloxone, similar to the Ministry of Health (MOH) program for Emergency Response Services.
3. Bill 81, Working for Workers, was passed by the Legislation Assembly and received Royal Assent on April 11, 2022 which amended the Occupational Health and Safety Act to require employers to provide naloxone kits at a workplace, where the worker performs work for the Employer.
4. Naloxone is a medication which temporarily blocks the effects of an opioid overdose in the brains receptors. It can restore normal breathing and consciousness and save lives. There would be no liability associated with the administration of naloxone under the Good Samaritans Act, 2001, S.O. 2001 if the employee provides the assistance at the immediate scene of the emergency.
Naloxone does not hurt anyone and is not addictive.

And That, based on the information provided, Council instructs the DESFC to purchase a supply of Naloxone in the form of Nasal Spray;

And That Council instructs the DESFC to provide each Municipal Workplace with a single kit containing two (2) doses, to be kept in or near each workplace's First Aid Kit;

And That Council instructs the DESFC to train every worker on the use of Naloxone Nasal Spray.

c) Resolution #210-22 - Mandatory Septic Re-inspections and Deficiencies

Whereas at their meeting on May 20, 2022, Council passed Resolution #210-22 receiving for information the Delegation Form for the Association of Municipalities of Ontario (AMO) 2022 Conference; and Council requested the Mayor and Deputy Mayor register as a Delegation to the Ministry of Municipal Affairs and Housing (MMAH) to discuss mandatory septic inspections and having deficiencies addressed at the point of sale;

Therefore Be It Resolved That Council receives for information an email dated June 10, 2022 from Mayor Higgins to Mike McNeice, Manager, Advocacy and Stakeholder Relations, Ontario Real Estate Association (OREA), providing information regarding septic inspections in the Township of North Frontenac and requesting the OREA require a mandatory septic inspection as a condition of sale to ensure a new property owner is assured of a functioning septic system, with the cost of the inspection included in the sale price; and that this recommendation be implemented across Ontario;

And That as this matter has been addressed by the Mayor with OREA, the Delegation to MMAH is not required and Council instructs the Mayor and Deputy Mayor to not request the Delegation.

- d) Resolution #14-22 - Public Works Manager - Extension of No Fee for Brush Waste at Waste Sites

Whereas at their meeting on January 14, 2022, Council passed Resolution #14-22 receiving for information the Public Works Manager's Administrative Report entitled "Waste Sites – User Fee for Disposal of Brush and Yard Waste"; and Council supported a user fee of \$10 per cubic yard for the disposal of brush and yard waste;

And Whereas the Fees and Charges By-law was amended on February 25, 2022 to include the User Fee for Disposal of Brush and Yard Waste;

And Whereas the Mayor's Declared an Emergency in response to the Wind Storm on May 21, 2022 and the Emergency Control Group determined brush and yard waste would be accepted at the Waste Sites at no cost (fee waived) until June 15, 2022 in response to the emergency and notice was provided to the public;

Therefore Be It Resolved That Council receives for information an email dated May 31, 2022 from Darwyn Sproule, Public Works Manager (PWM), advising they have further assessed the extent of the damage and cleanup required; and the PWM recommends extending the 'no cost/no fee' provision for the brush and yard waste until July 15, 2022;

And That Council approves the extension of accepting brush and yard waste at no cost until July 15, 2022 and instructs the PWM to provide public notice of the extension.

9. Minutes (con't)

- a) **Minutes of Meeting(s) to be Adopted by Council**

Be It Resolved That Council adopts the Minutes of a Meeting of the Personnel and Audit dated May 26, 2022, as circulated.

10. Communications

a) **Clerk's Administrative Report - Communications 'A' Section**

Be It Resolved That Council receives for information Section 'A' Items of the Clerk's Administrative Report entitled "Communications of Interest."

b) **Communications 'B' Section - Action Items**

B1. Voter's List Information to Candidates

Whereas it is in the best interest of good government and the democratic process that all Ontarians have access to candidate information during the upcoming municipal elections;

And Whereas the Clerks of some municipalities do not supply the mailing addresses of voters on the voters list to candidates, thereby limiting the access of voters who have mailing addresses outside the municipality to candidate information, effectively disenfranchising them;

Therefore Be It Resolved That the Council of the Township of North Frontenac supports the Town of Blue Mountains and expresses their support for the inclusion of the mailing addresses of voters on voter's lists provided to candidates;

And That a copy of this resolution be sent to the Town of Blue Mountains, the Premier of Ontario; the Minister of Municipal Affairs and Housing; and the Canadian Civil Liberties Association.

11. Council, CAO, and Managers' Administrative Reports

a) **Chief Administrative Officer Back-up - May 21, 2022 Windstorm Event**

Be It Resolved That Council receives for information the Chief Administrative Officer Back Up's Administrative Report, on behalf of the Emergency Control Group (ECG), entitled "May 21, 2022 Windstorm Event";

And That all Township costs associated with clean up from the storm will be monitored closely and prior to 120 days staff provide an update to Council if it is anticipated costs will be in excess of 3% of own purpose taxation levy and eligible for Municipal Disaster Recovery Assistance Program funding;

And That Council instructs the Treasurer to transfer the amount of the deductible for the insurance claim from the Contingency Reserve Fund.

b) **Clerk/Planning Manager - Provincial Changes to the Planning Act and Ontario Building Code through Bill 109 and Delegation of Authority for the Approval of Site Plan Control Applications**

Be It Resolved That Council receives for information the Clerk/Planning Manager's Administrative Report entitled "Provincial Changes to the

Planning Act and Ontario Building Code through Bill 109 and Delegation of Authority for Site Plan Control Applications”;

And That, per Section 41(4.0.1) of the Planning Act, which requires where Council has passed a Site Plan Control By-law, Council shall appoint an officer, employee or agent of the Municipality as an authorized person for the purpose of approving a Site Plan Applications, Council will consider a By-law later in the Meeting to appoint the Clerk;
And That, once approved, the Mayor and Clerk are authorized to sign all Site Plan Agreements between the Applicant and the Township.

- c) Clerk/Planning Manager - Four Shore Road Allowance Applications for Approval in Principle - Butler, Campbell, McCombs-Shick and Maltby

Be It Resolved That Council receives for information the Clerk/Planning Manager’s Administrative Report entitled “Four (4) Shore Road Allowance Applications for Approval in Principle – Butler, Campbell, McCombs-Shick and Maltby”;

And That Council approves in principle the Application(s) to close, stop up and sell the Shore Road Allowance(s) as describes below:

- Part of the Shore Road Allowance lying adjacent to Part of Lot 1, Concession 12, geographic Township of Barrie (Shawenagog Lake);
- Part of the Shore Road Allowance lying adjacent to Lot 7 and Part of Lot 8, Plan 699, geographic Township of Barie (Mazinaw Lake);
- Part of the Shore Road Allowance lying adjacent to Lot 11, Plan 1325, geographic Township of Barrie (Big Gull Lake);
- Part of the Shore Road Allowance lying adjacent to Part Lots 27, 28 and 29, Concession 3, geographic Township of Clarendon (Mud Lake).

- d) Clerk/Planning Manager - Shore Road Allowance Closure and Sale By-law - Burns

Be It Resolved That Council receives for information the Clerk/Planning Manager’s Administrative Report entitled “Shore Road Allowance Closure and Sale By-law – Burns”;

And That, as required by By-law #22-15,

- **All That Part** of the Shore Road Allowance in front of Lot 14, Plan 1202, and part of Lot 23, Concession 6, geographic Township of Barrie, being Parts 2 and 3 on Registered Plan 13R-22647 (Kashwakamak Lake);

be declared as surplus and sold to the adjoining owners. Appraisals of these properties are not necessary as this is a Shore Road Allowance;

And That Council will consider a By-law later in the meeting to Stop-up, Close and Sell a Portion of the Shore Road Allowance.

- e) Clerk/Planning Manager -To Assume Portion of the South Bush Road as a Highway

Be It Resolved That Council receives for information the Clerk/Planning Manager's Administrative Report entitled "To Assume a Portion of the South Bush Road as a Highway";

And That Council accepts the offer from Darwyn Sproule to transfer the portion of South Bush Road located in Lot 21, E1/2 Con 3, Palmerston to the Township, subject to the road being surveyed to a width of 20 metres (66 feet) at the expense of Mr. Sproule;

And That Council approves paying the legal fees for the preparation of the Transfer, registering the Transfer and By-law and Law Society Fees, and miscellaneous disbursement at an estimated cost of \$1,000. All legal work completed by the Township's Solicitor for Sherriff Certificates, Mortgage Discharges, Appraisals, and any unforeseen title issues shall be covered by the property owner;

And That Council instructs the Treasurer to transfer the Township's legal costs associated with the property transfer, including preparation of the Transfer, title search and registering the By-law from the Contingency Reserve Fund;

And That Council authorizes the Mayor and Clerk to sign the Transfer for this portion of the Road Allowance and Council will consider a By-law at a future meeting to assume this portion of South Bush Road.

- f) Clerk/Planning Manager and Chief Building Official - Shipping Container Regulation

Be It Resolved That Council receives for information the Clerk/Planning Manager and Chief Building Official's Administrative Report entitled "Shipping Container Regulation";

And That Council instructs the Clerk/Planning Manager and Chief Building Official to draft a By-law to Licence the Temporary Use of Shipping Containers and provide to Council for their consideration at an upcoming meeting based on the recommendations provided by Council at today's meeting;

And That Council approves in principle the following proposed fees, subject to a Public Meeting to amend the Fees and Charges By-law to include:

- Licence a Shipping Container - \$150
- Administration Fee for Shipping Container placed without a Licence \$300.

- g) Manager of Community Development - Renewal - Licence of Occupation - Cloyne & District Historical Society

Be It Resolved That Council receives for information the Manager of Community Development's Administrative Report entitled "Renewal - Licence of Occupation – Cloyne and District Historical Society";

And That Council will consider a By-law later in the Meeting to enter into a Licence of Occupation Agreement for another five year term with the Cloyne and District Historical Society;

And That Council approves of maintaining the fee of one dollar (\$1) annually.

- h) Manager of Community Development - Proposed Cyclist Stations Program

Be It Resolved That Council receives for information the Manager of Community Development's (MCD) Administrative Report entitled "Proposed Cyclist Stations Project";

And That Council directs the MCD to apply to the Ontario Trillium Foundation's Community Investment Grants – Capital Grant for 100% project funding;

And That Council directs the MCD to enter into a funding agreement with the Ontario Trillium Foundation upon the Township's successful application to the Community Investment Grant – Capital Grant for 100% project funding;

And That Council directs the MCD to install a cycling station (including concrete pad, water bottle filler/bike repair station and bench with signage) at the Barrie Community Hall, Municipal Office, Ompah Community Hall and Snow Road Community Hall if the Township is successful with its application to the Community Investment Grant – Capital Grant for 100% project funding.

- i) Manager of Community Development - Proposed Expansion of Crotch Lake Access Road Parking Lot

Be It Resolved That Council receives for information the Manager of Community Development's (MCD) Administrative Report entitled "Update – Proposed Expansion of Crotch Lake Access Road Parking Lot";

And That Council directs the MCD to contact Curve Lake First Nations (CLFN) to explain the project and understand their interests with a focus on the proposed projects potential impact on Aboriginal and treaty rights, concerns and feedback provided by CLFN as well as potential mitigation measurement or changes to the project that may be discussed;

And That Council directs the MCD to have the Stage Two (2) Archaeological Assessment completed for the Crotch Lake Access Road Parking Lot Expansion;

And That the Treasurer be instructed to take the estimated \$5,000 plus HST to complete this Assessment from the MNR Parks Reserve Fund.

- j) Public Works Manager - 911 Next Generation

Be It Resolved That Council receives for information the Public Work Manager's Administrative Report entitled "Next Generation 9-1-1 Authority Service Agreement";

And That Council authorizes the Public Works Manager to have Bell Canada make the required amendments to the Agreement;

And That once amended, Council authorizes the Mayor and Clerk to electronically sign the Next Generation 9-1-1 Authority Service Agreement on behalf of the Township.

- k) Mayor Higgins - MPP Meet and Greet

Be It Resolved That Council receives for information the Mayor’s Administrative Report entitled "MPP Meet and Greet"; and agrees that Mayor Higgins may proceed to setup a meet and greet event.

- l) Mayor Higgins - Seniors' Housing - County Funds

Be It Resolved That Council receives for information the Mayor’s Administrative Report entitled, Senior Housing – County Funds;

And That Council instructs the Mayor and Deputy Mayor, as our County representatives, to submit an Administrative Report to County Council to reconsider the May 2018 decision and that we request a reallocation of the \$337,500 to keep seniors at home;

And That Council reallocates the \$100,000 approved in the 2022 Budget from the Contingency Reserve Fund for Seniors Housing to be placed in a new Seniors Reserve Fund;

And That Council invite Land O’Lakes Community Services to a Council Meeting to discuss options for providing home maintenance to seniors in North Frontenac, for Council’s consideration.

12. External Committees/Local Boards/Task Force Notes and Reports

- a) Notes of a Meeting of the Economic Development Task Force dated May 16, 2022

Be It Resolved That Council receives for information the Notes of the Economic Development Task Force dated May 16, 2022.

- b) Minutes of a Meeting of the Committee of Adjustment/Planning Advisory Committee dated April 25, 2022

Be It Resolved That Council receives for information the Minutes of the Committee of Adjustment/Planning Advisory Committee dated April 25, 2022.

- c) Minutes of the Joint Health and Safety Committee Meeting

Be It Resolved That Council receives for information the Minutes of the Joint Health and Safety Committee dated May 11, 2022.

13. Giving Notice of Motion (By a Member of Council to the Clerk for Council’s consideration for inclusion on the next Meeting Agenda)

14. Motions, Written Notice of which has been Given (By a Member of Council and approved by Council at a prior Meeting)

None.

15. Council Portfolios

- a) Each Council member has a portfolio for which they are responsible. The Councillor may provide a verbal report for information purposes.

16. Introduction and Reading of By-laws (con't)

- a) **By-law(s) to be Considered:**

- i) **First and Second Reading**

Be It Resolved That leave be given the Mover to introduce the following By-law(s) that have been circulated to all members of Council and that these By-law(s) be read a first and second time:

- #44-22 - Fees and Charges By-law;
- #45-22 - Delegated Authority Site Plan;
- #46-22 - Road Closure - Burns;
- #47-22 - To Amend the Procurement Policy #94-16;
- #48-22 - To Sign Agreement with Cloyne and District Historical Society

- ii) **Third Reading**

Be It Resolved That these By-laws be read a third time, signed, sealed and finally passed.

17. Closed Session

- a) Closed Meeting of Council

Be It Resolved That Council retires to Closed Session at ____ .m. to:

- a. Adopt Minutes of Closed Meetings of Council dated May 20, 2022; and
- b. Consider Advice that is Subject to Solicitor-Client Privilege, including Communications Necessary for that Purpose, more specifically with respect to a By-law Enforcement Matter.

Be It Resolved That Council returns to Open Session at _____

18. Rise and Report (Overview of the Closed Session by the Presiding Officer)

19. Confirmatory By-law

- a) **Confirming By-law #49-22**

Be It Resolved That By-law #49-22, being a By-law to confirm all actions and proceedings of Council for its Regular Meeting held June 17, 2022 be read a first, second, and third time and finally passed.

20. Adjournment

a) **Adjournment of Council Meeting**

Be It Resolved That Council adjourns the Meeting at ____ .m. until June 30, 2022 or at the call of the Chair.

“Accessible formats and communication support are available upon request. The Township of North Frontenac is committed to accessibility for persons with disabilities. Please contact Eric Korhonen, Accessibility Coordinator at **Error! Hyperlink reference not valid.** if you have an Accessible accommodation request.”

Seconded By: Councillor Good

Be It Resolved That Council retires to Closed Session at 10:30 a.m. to:

- a. Adopt Minutes of a Closed Meeting of Council dated March 25, 2022; and
- b. Consider Litigation or Potential Litigation, including Matters before Administrative Tribunals, Affecting the Municipality or Local Board, more specifically with respect to Canalodge Subdivision.

Carried

18. Return to Open Session

Resolution #: 229-22 Moved By: Councillor Good

Seconded By: Councillor Hermer

Be It Resolved That Council returns to Open Session at 10:51 a.m.

Carried

19. Rise and Report (Overview of the Closed Session by the Presiding Officer)

The Mayor advised that Council:

- a. Adopted Minutes of a Closed Meeting of Council dated March 25, 2022; and
- b. Considered Litigation or Potential Litigation, including Matters before Administrative Tribunals, Affecting the Municipality or Local Board, more specifically with respect to Canalodge Subdivision.

20. Confirmatory By-law

a. Confirming By-law #41-22

Resolution #: 230-22 Moved By: Councillor Good

Seconded By: Councillor Fowler

Be It Resolved That By-law #41-22, being a By-law to confirm all actions and proceedings of Council for its Regular Meeting held May 20, 2022 be read a first, second, and third time and finally passed.

Carried

21. Adjournment

a. Adjournment of Council Meeting

Resolution #: 231-22 Moved By: Councillor Fowler

Seconded By: Councillor Good

Be It Resolved That Council adjourns the Meeting at 10:52 a.m. until June 17, 2022 or at the call of the Chair.

Carried

Mayor

Clerk

Chair

Clerk

Per the Procedural By-law, "these motions have been approved in principle by the Personnel and Audit Committee and shall become Resolutions of Council only on Council's adoption of the Minutes of the Personnel and Audit Committee Meeting."

Consolidated Financial Statements of

**CORPORATION OF THE
TOWNSHIP OF NORTH
FRONTENAC**

Year ended December 31, 2021

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Consolidated Financial Statements of

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Year ended December 31, 2021

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

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TRUST FUNDS

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Management’s Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the Township of North Frontenac (the “Township”) are the responsibility of the Township’s management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. The significant accounting policies are described in summary in note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management’s judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

Personnel and audit committee meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Township. The accompanying Independent Auditors’ Report outlines their responsibilities, the scope of their examination and their opinion on the Township’s consolidated financial statements.

Cheryl Robson
Chief Administrative Officer

Kelly Watkins
Treasurer

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of North Frontenac

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of North Frontenac (the "Entity"), which comprise:

- the consolidated statement of financial position as at December 31, 2021;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of changes in net financial assets for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2021, and its consolidated results of operations and its consolidated 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

(date)

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Consolidated Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets:		
Cash	\$ 8,330,087	\$ 9,068,449
Taxes receivable	769,928	853,028
Trade and other receivables	2,357,412	2,325,062
	11,457,427	12,246,539
Financial liabilities:		
Accounts payable and accrued liabilities	621,794	1,166,667
Deferred revenue - obligatory reserve funds (note 2)	1,473,098	1,225,547
Deferred revenue - other	120,137	103,802
Long-term debt (note 3)	591,565	619,735
Landfill closure and post-closure costs (note 4)	1,630,549	1,656,888
	4,437,143	4,772,639
Net financial assets	7,020,284	7,473,900
Non-financial assets:		
Tangible capital assets (note 12)	22,611,284	20,738,671
Prepaid expenses	38,419	10,658
	22,649,703	20,749,329
Contingencies (note 10)		
Commitments (note 11)		
Accumulated municipal equity (note 13)	\$ 29,669,987	\$ 28,223,229

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of Council:

_____ Councillor Gerry Martin, Chair of the Personnel-Audit Committee

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Consolidated Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	Budget (note 9)	2021	2020
Revenue:			
Net taxation and payments-in-lieu	\$ 6,434,898	\$ 6,391,411	\$ 6,254,972
Transfer payments	1,817,100	1,817,100	1,777,700
Government grants	1,231,562	850,962	2,300,036
User charges	537,820	675,393	569,716
Revenue from municipalities	35,550	41,384	37,489
Penalties and interest on taxes	140,000	136,725	114,199
Other	76,835	93,548	40,515
Investment income	20,000	72,515	92,133
	10,293,765	10,079,038	11,186,760
Expenses (note 5):			
General government	2,123,840	1,445,789	1,379,558
Protection to persons and property	1,829,118	1,944,133	1,939,735
Transportation services	2,632,365	3,516,592	3,452,945
Environmental services	626,017	633,753	630,228
Landfill closure and post-closure (recovery)	-	(26,339)	(123,467)
Cemeteries	9,700	21,745	21,423
Recreation and culture	514,615	588,146	534,807
Planning and development	542,774	508,461	379,569
Total expenses	8,278,429	8,632,280	8,214,798
Surplus for the year	2,015,336	1,446,758	2,971,962
Accumulated municipal equity, beginning of year	-	28,223,229	25,251,267
Accumulated municipal equity, end of year (note 13)	\$ -	\$ 29,669,987	\$ 28,223,229

The accompanying notes are an integral part of these consolidated financial statements.

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020

	Budget (note 9)	2021	2020
Surplus for the year	\$ 2,015,336	\$ 1,446,758	\$ 2,971,962
Acquisition of tangible capital assets	(4,809,028)	(4,078,114)	(3,456,146)
Amortization of tangible capital assets	-	1,721,010	1,750,353
Loss on disposal of assets	-	484,491	-
	(2,793,692)	(425,855)	1,266,169
Change in prepaid expenses	-	(27,761)	21,668
Change in net financial assets	(2,793,692)	(453,616)	1,287,837
Net financial assets, beginning of year	-	7,473,900	6,186,063
Net financial assets, end of year	\$ (2,793,692)	\$ 7,020,284	\$ 7,473,900

The accompanying notes are an integral part of these consolidated financial statements.

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Consolidated Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Surplus for the year	\$ 1,446,758	\$ 2,971,962
Items not involving cash:		
Amortization of tangible capital assets	1,721,010	1,750,353
Loss on disposal of assets	484,491	-
Change in landfill closure and post-closure costs	(26,339)	(123,467)
Change in non-cash assets and liabilities:		
Taxes receivable	83,100	(50,942)
Trade and other receivables	(32,350)	(1,717,409)
Accounts payable and accrued liabilities	(544,872)	(82,078)
Deferred revenue - obligatory reserve funds	247,550	117,546
Deferred revenue - other	16,335	38,079
Prepaid expenses	(27,761)	21,668
Net change in cash from operating activities	3,367,922	2,925,712
Capital activities:		
Cash used to acquire tangible capital assets	(4,078,114)	(3,456,146)
Financing activities:		
Repayments of long-term debt	(28,170)	(28,169)
Decrease in cash	(738,362)	(558,603)
Cash, beginning of year	9,068,449	9,627,052
Cash, end of year	\$ 8,330,087	\$ 9,068,449

The accompanying notes are an integral part of these consolidated financial statements.

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Notes to Consolidated Financial Statements

Year ended December 31, 2021

1. Accounting policies:

The consolidated financial statements of the Corporation of the Township of North Frontenac (the "Township") are prepared by management, in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Township are as follows:

(a) Basis of consolidation:

- (i) The consolidated financial statements reflect the assets, liabilities, revenue and expenses and fund balances of the current, capital and reserves and reserve funds of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned or controlled by the Township. Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

All interfund assets, liabilities and revenue and expenses have been eliminated.

(ii) Accounting for upper tier and school board transactions:

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

(iii) Trust funds:

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the Trust Funds statement of financial position and statement of continuity.

(b) Deferred revenue - obligatory reserve funds:

The Township receives restricted contributions under the authority of provincial legislation and township by-laws. These funds, by nature, are restricted in their use and until applied to applicable expenses are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

(c) Deferred revenue - other:

Deferred revenue represents government transfers, service charges and user fees which have been collected but for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the services are performed.

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

1. Accounting policies (continued):

(d) Landfill closure and post closure costs:

The Township accrues landfill closure and post-closure care requirements that have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a seventy year period using the best information available to management.

Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

(e) 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 consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Significant estimates include the liabilities for landfill closure and post-closure costs.

(f) Government transfers:

Government transfers are recognized as revenue in the consolidated financial statements when the transfer is authorized, any eligibility criteria are met and reasonable estimate of the amounts can be made except when and to the extent that stipulations by the transferor give rise to an obligation that meets the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(g) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. Revenue is recognized as it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(h) 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.

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

1. Accounting policies (continued):

(h) Non-financial assets (continued):

(i) Tangible capital assets:

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

Asset	Useful Life - Years
Land improvements	15 to 25
Buildings	50
Vehicles, machinery and equipment	7 to 25
Furniture and fixtures	5 to 20
Roads and bridge infrastructure	10 to 45

Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets:

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

(iii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(iv) Leased tangible capital assets:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(i) Property tax revenue:

Property tax revenue is recognized on the accrual basis using the approved tax rates and the anticipated assessment related to the current year. Taxes levied on behalf of others in a flow-through arrangement are not reported on the consolidated statement of operations.

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

2. Deferred revenue - obligatory reserve funds:

A requirement of the Canadian public sector accounting standards is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds of the Township are summarized below:

	2021	2020
Balance, beginning of year	\$ 1,225,547	\$ 1,108,002
Federal gas tax county	252,230	186,428
Development contributions	62,730	34,346
Ontario community infrastructure fund	304,907	304,907
Building fund	30,460	-
Investment income	8,900	10,177
Utilization of funds	(411,676)	(418,313)
Balance, end of year	\$ 1,473,098	\$ 1,225,547

	2021	2020
Analyzed as follows:		
Federal gasoline tax	\$ 1,113,109	\$ 939,076
Recreation land	275,113	232,441
Ontario community infrastructure fund	54,416	54,030
Building department	30,460	-
	\$ 1,473,098	\$ 1,225,547

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

3. Long-term debt:

- (a) The balance of long-term debt reported on the consolidated statement of financial position is made up of the following:

	2021	2020
Loan for the municipal building, repayable in semi-annual payments bearing interest at 3.24% and due December 2042	\$ 591,565	\$ 619,735

- (b) Principal due on long-term liabilities is summarized as follows:

2022	\$	28,170
2023		28,170
2024		28,170
2025		28,170
2026		28,170
Thereafter		450,715
	\$	591,565

- (c) Interest expense on long-term debt in 2021 amounted to \$19,851 (2020 - \$20,821).
- (d) The long-term debt issued in the name of the Township, has been approved by by-law. The annual principal and interest payments required to service this debt are within the annual debt replacement limit prescribed by the Ministry of Municipal Affairs.

4. Landfill closure and post-closure costs:

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

4. Landfill closure and post-closure costs (continued):

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, treatment and monitoring of leachate, monitoring ground water and surface water, gas monitoring and recovery, and ongoing maintenance of various control systems, drainage systems and final cover. The reported liability is based on estimates and assumptions with respect to events extending over a seventy year period using the best information available to management. Future events will result in changes to the estimated total expenses, capacity used or total capacity and the estimated liability and will be recognized prospectively, as a change in estimate, when applicable.

Estimated total expenses represent the sum of the discounted future cash flows for closure and post-closure monitoring activities using an assumed rate of 1.7% (2020 – 1.7%) for inflation and a discount factor of 4% (2020 - 4%). The estimated total landfill closure and post-closure expenses are estimated to be \$2,335,498 (2020 - \$2,462,994). The Township currently has five active and two inactive landfill sites, as well as two transfer sites. For sites that are still active, the estimated liability for these expenses is recognized as the landfill sites' capacity is used. For sites that are inactive, the estimated liability for these expenses is recognized immediately. Included in liabilities at December 31, 2021 is an amount of \$1,630,549 (2020 - \$1,656,888) with respect to landfill closure and post-closure obligations recognized to date.

The estimated average remaining capacity of the landfill sites is 60% (2020 - 61%) of the total estimated capacity and the estimated average remaining life of the landfill sites is 45 years (2020 - 38 years), after which the period for post-closure care is estimated to be 25 years.

5. Expenses:

Expenses by object classification are as follows:

	2021	2020
Salaries, wages and benefits	\$ 3,236,330	\$ 3,058,736
Materials and supplies	2,184,217	2,069,323
Services, rents, contracted services and financial services	1,517,062	1,459,853
Landfill closure and post-closure recovery	(26,339)	(123,467)
Amortization	1,721,010	1,750,353
	\$ 8,632,280	\$ 8,214,798

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

6. Operations of school boards and the County of Frontenac:

During 2021, requisitions were made by the school boards and the County of Frontenac requesting the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized below:

	School Boards		County of Frontenac	
	2021	2020	2021	2020
Amounts requisitioned and collected	\$ 1,484,408	\$ 1,490,244	\$ 1,765,594	\$ 1,733,594

7. Pension agreement:

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer pension plan on behalf of 35 (2020 - 33) members of its staff. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit. The last available report was as at December 31, 2021, at that time, the plan reported a \$3.1 billion actuarial deficit (2020 - \$4.3 billion actuarial deficit).

The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employee based on length of service and rates of pay.

Contributions for employees with a normal retirement age of 65 are being made at a rate of 9.0% (2020 - 9.0%) for earnings up to the annual maximum pensionable earnings and at a rate of 14.6% (2020 - 14.6%) for earnings greater than the annual maximum pensionable earnings.

The amount contributed to OMERS for 2021 current services was \$195,522 (2020 - \$188,376) and is included on the consolidated statement of operations.

8. Trust funds:

Trust funds administered by the Township at year end amount to \$110,423 (2020 - \$112,514). Trust funds are reported separately on the Trust Funds statement of financial position and statement of continuity.

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

9. Budget figures:

The budget data presented in these consolidated financial statements is based upon the 2021 operating and capital budgets approved by Council on March 20, 2021. Amortization was not contemplated on development of the budget and, as such, has not been included. The approved budget to the budget figures reported in these consolidated financial statements is listed below.

	2021 Budget
Reported on consolidated statement of operations:	
Operating revenue	\$ 10,293,765
Operating expenses	8,278,429
Total budgeted surplus on consolidated financial statements	\$ 2,015,336
Budget not reported on consolidated statements:	
Capital costs	\$ 4,809,028
Reserve and reserve fund transfers, net	(2,793,692)
Total budgeted deficit not reported on consolidated financial statements	\$ 2,015,336

10. Contingencies:

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2021, management believes that the Township has valid defences and appropriate insurance coverage in place. In the opinion of management, the aggregate amount of any potential liability is not expected to have a material effect on the Township's financial position.

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

11. Commitments:

- (a) The Township entered into an agreement with the Ontario Provincial Police for the provision of police services. The total expense included on the consolidated statement of operations for the year ended December 31, 2021 is \$834,275 (2020 - \$844,210). The Ministry of Community and Safety and Correctional Services has developed a new cost-recovery billing model that was implemented January 1, 2015, that includes two components, base policing for items such as crime prevention, proactive policing, officer training and administrative duties that will make up approximately 60%, with the second component for reactive calls for services that make up the remaining 40% of the cost invoiced.
- (b) The Township entered an agreement to create and govern the Joint Fire Committee for the Kaladar/Barrie Fire Department with the Township of Addington Highlands on September 22, 2018 for the provision of shared fire services to both townships. Each year by March 1, a budget will be submitted for approval from both Councils and an apportionment of costs to each will be included at a formula of 50%. Assets purchased under this agreement will be owned jointly at 50%. This agreement will be in effect until a new agreement is undertaken. The 50% costs are included as part of the Protection to Persons and Property expense on the consolidated statement of operations in the amount of \$252,095 (2020 - \$247,045).

12. Tangible capital assets:

Cost	Balance at December 31, 2020	Additions	Disposals, transfers and adjustments	Balance at December 31, 2021
Land	\$ 976,795	\$ —	\$ —	\$ 976,795
Land improvements	849,569	—	—	849,569
Buildings	6,163,963	143,420	—	6,307,383
Vehicles and machinery	4,976,926	588,967	43,927	5,521,966
Equipment	2,306,035	102,627	95,709	2,312,953
Furniture and fixtures	258,678	6,582	1,090	264,170
Roads and bridge infrastructure	80,225,394	2,689,802	—	82,915,196
Assets under construction	760,330	546,716	457,594	849,452
Total	\$ 96,517,690	\$ 4,078,114	\$ 598,320	\$ 99,997,484

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

12. Tangible capital assets (continued):

Accumulated amortization	Balance at December 31, 2020	Amortization expense	Disposals transfers and adjustments	Balance at December 31, 2021
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	365,772	42,511	-	408,283
Buildings	2,159,958	159,823	-	2,319,781
Vehicles and machinery	2,551,786	301,287	34,571	2,818,502
Equipment	1,694,367	101,699	78,168	1,717,898
Furniture and fixtures	182,492	14,011	1,090	195,413
Roads and bridge infrastructure	68,824,644	1,101,679	-	69,926,323
Assets under construction	-	-	-	-
Total	\$ 75,779,019	\$ 1,721,010	\$ 113,829	\$ 77,386,200

	Net book value December 31, 2021	Net book value December 31, 2020
Land	\$ 976,795	\$ 976,795
Land improvements	441,286	483,797
Buildings	3,987,602	4,004,005
Vehicles and machinery	2,703,464	2,425,140
Equipment	595,055	611,668
Furniture and fixtures	68,757	76,186
Roads and bridge infrastructure	12,988,873	11,400,750
Assets under construction	849,452	760,330
Total	\$ 22,611,284	\$ 20,738,671

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

13. Accumulated municipal equity:

Accumulated municipal equity consists of individual fund surplus and reserves and reserve funds as follows:

	2021	2020
Surplus	\$ 150,000	\$ 150,000
Invested in tangible capital assets	22,611,284	20,738,671
Long-term debt	(591,565)	(619,735)
Landfill and post-closure costs	(1,630,549)	(1,656,888)
	20,539,170	18,612,048
Reserves set aside for specific purposes by Council:		
Working capital	150,000	150,000
Other	-	3,649
Total reserves	150,000	153,649
Reserve funds set aside for specific purposes by Council:		
Protection	104,667	154,771
Roads	1,867,430	2,834,005
Environmental	675,411	641,258
Capital contingency/acquisition	1,378,164	1,203,881
General government contingency	639,152	672,201
Accessibility contingency	21,410	21,258
Cemeteries contingency	54,861	61,534
Waste and recycling	95,018	110,565
Infrastructure sustainability	3,356,745	3,018,783
Protection contingency	295,110	298,875
Parks and recreation contingency	467,997	420,690
Planning contingency	24,852	19,711
Total reserve funds	8,980,817	9,457,532
Accumulated municipal equity	\$ 29,669,987	\$ 28,223,229

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

14. Segmented information:

The Township is a municipal government institution that provides a range of services to its citizens, including police, fire, transportation, recreational and environmental. For management reporting purposes the Township's operations and activities are organized and reported by department. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

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

(a) General Government:

Includes corporate services and governance of the Township. Administration is responsible for human resource management. Support to Council for policy development, by-law development in compliance with the Municipal Act, tax billing and collection responsibilities, financial management reporting, monitoring and overall budget status is provided as well as frontline reception and customer service.

(b) Protection Services:

Includes policing, fire protection, conservation authority, protective inspection and control and emergency measures. The mandate of police services is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. Fire protection includes detection, extinguishing and suppression services; emergency medical first response; and prevention education and training programs. Inspection and control includes building inspection, by-law enforcement and dog control services.

(c) Transportation Services:

This department provides the winter and summer maintenance, the repair and the construction of the municipal roads system including bridges and culverts and is responsible for streetlights.

(d) Environmental Services:

Includes the management and maintenance of the five active and two transfer stations, and two inactive landfill sites.

(e) Parks and Recreation:

Provides services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure programs and facilities including community halls, libraries and parks.

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CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

14. Segmented information (continued):

(f) Planning and Development:

Manages rural development for business interests, environmental concerns, heritage matters, local neighbourhoods and community development. It facilitates economic development by providing services for the approval of all land development plans, the application and enforcement of the building code, the zoning by-law and official plan, and the provision of geomatics services.

(g) Cemeteries:

Includes the management and maintenance of municipal cemeteries.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. These municipal services are funded primarily by taxation such as property tax revenue. Taxation and payments-in-lieu of taxes, penalties and interest, investment income and unconditional grants apportioned to these services based on the net surplus. Certain government transfers, transfer from other funds, and other revenue have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1.

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

14. Segmented information (continued):

2021									
	General government	Protection services	Environmental services	Transportation services	Parks and recreation	Planning and development	Cemeteries	Total	
Revenue:									
Government conditional grants	\$ 164,876	\$ -	\$ 61,657	\$ 620,706	\$ 3,723	\$ -	\$ -	\$ -	\$ 850,962
Revenue from other municipalities	-	3,863	37,521	-	-	-	-	-	41,384
User fees	12,370	176,580	69,836	28,445	324,338	59,474	4,350	-	675,393
Other	6,872	27,112	6,522	45,478	42	6,166	1,356	-	93,548
	184,118	207,555	175,536	694,629	328,103	65,640	5,706	-	1,661,287
Expenses:									
Salaries, wages and employee benefits	895,689	369,616	377,883	1,044,860	204,717	338,983	4,582	-	3,236,330
Materials	322,063	322,778	69,025	1,099,513	301,490	52,843	16,505	-	2,184,217
Contracted services	81,052	1,090,997	154,727	20,805	4,885	111,982	200	-	1,464,648
Transfer to others	-	44,060	-	-	-	-	-	-	44,060
Rents and financial expenses	8,354	-	-	-	-	-	-	-	8,354
Loss (gain) on disposals	-	-	-	-	-	-	-	-	-
Landfill closure and post-closure recovery	-	-	(26,339)	-	-	-	-	-	(26,339)
Amortization	138,631	116,682	32,118	1,351,414	77,054	4,653	458	-	1,721,010
	1,445,789	1,944,133	607,414	3,516,592	588,146	508,461	21,745	-	8,632,280
Excess of expenses over revenue	(1,261,671)	(1,736,578)	(431,878)	(2,821,963)	(260,043)	(442,821)	(16,039)	-	(6,970,993)
Funding through:									
Taxation	-	-	-	-	-	-	-	-	6,391,411
Penalties and interest	-	-	-	-	-	-	-	-	136,725
Investment income	-	-	-	-	-	-	-	-	72,515
Transfer payments	-	-	-	-	-	-	-	-	1,817,100
	-	-	-	-	-	-	-	-	8,417,751
Surplus for the year								\$	1,446,758

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

14. Segmented information (continued):

2020								
	General government	Protection services	Environmental services	Transportation services	Parks and recreation	Planning and development	Cemeteries	Total
Revenue:								
Government conditional grants	\$ 415,309	\$ -	\$ 75,775	\$ 1,805,294	\$ 3,658	\$ -	\$ -	\$ 2,300,036
Revenue from other municipalities	-	3,593	33,896	-	-	-	-	37,489
User fees	13,058	115,575	65,582	34,600	287,082	46,244	7,575	569,716
Other	13,632	17,888	-	719	-	5,452	2,824	40,515
	441,999	137,056	175,253	1,840,613	290,740	51,696	10,399	2,947,756
Expenses:								
Salaries, wages and employee benefits	872,209	313,694	359,953	1,048,864	183,719	278,312	1,985	3,058,736
Materials	265,344	347,014	70,162	1,053,625	272,936	42,749	17,493	2,069,323
Contracted services	45,760	1,094,933	169,638	54,687	1,616	53,855	1,487	1,421,976
Transfer to others	-	30,821	-	-	-	-	-	30,821
Rents and financial expenses	7,056	-	-	-	-	-	-	7,056
Loss (gain) on disposals	-	-	-	-	-	-	-	-
Landfill closure and post-closure costs	-	-	(123,467)	-	-	-	-	(123,467)
Amortization	189,189	153,273	30,475	1,295,769	76,536	4,653	458	1,750,353
	1,379,558	1,939,735	506,761	3,452,945	534,807	379,569	21,423	8,214,798
Excess of expenses over revenue	(937,559)	(1,802,679)	(331,508)	(1,612,332)	(244,067)	(327,873)	(11,024)	(5,267,042)
Funding through:								
Taxation								6,254,972
Penalties and interest								114,199
Investment income								92,133
Transfer payments								1,777,700
								8,239,004
Surplus for the year								\$ 2,971,962

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

15. Impact of COVID-19 pandemic:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social distancing impact. At the time of approval of these financial statements, the entity has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Closure of administrative buildings at various times throughout fiscal 2021, based on public health recommendations
- Working from home requirements for those administrative staff able to do so
- Decrease in investment income as a result of market fluctuations
- Increase in government grants as a result of Safe Restart funding received in the amount of \$64,966

The Township continues to respond to the pandemic and plan for continued operational and financial impacts during the 2022 fiscal year and beyond. Management has assessed the impact of COVID-19 and believes there are no significant financial issues as the Township has access to sufficient financial resources to sustain operations in the coming year. The outcome and time frame to a recovery from the current pandemic is highly unpredictable, thus it is not practicable to estimate and disclose its financial effect on future operations at this time.

16. Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted in the current year.

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of North Frontenac

Opinion

We have audited the financial statements of the trust funds of the Corporation of the Township of North Frontenac (the "trust funds"), which comprise:

- the statement of financial position as at December 31, 2021;
- the statement of continuity for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the trust funds as at December 31, 2021, and its statement of continuity for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the trust funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

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

Those charged with governance are responsible for overseeing the trust funds' financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the trust funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

(date)

**CORPORATION OF THE TOWNSHIP OF NORTH
FRONTENAC
TRUST FUNDS**

Statement of Financial Position

December 31, 2021, with comparative information for 2020

Name of Fund	Cemetery	Perpetual Care	2021 Total	2020 Total
Assets				
Current assets:				
Cash and short-term investments	\$ -	\$ 110,423	\$ 110,423	\$ 110,164
Accounts receivable	-	-	-	2,350
	-	110,423	110,423	112,514
Fund Balances				
Fund balances	\$ -	\$ 110,423	\$ 110,423	\$ 112,514

Statement of Continuity

Year ended December 31, 2021, with comparative information for 2020

Name of Fund	Cemetery	Perpetual Care	2021 Total	2020 Total
Balance, beginning of year	\$ -	\$ 112,514	\$ 112,514	\$ 110,084
Contributions	-	-	-	3,100
Interest earned	-	1,025	1,025	1,072
Transfer to Township	-	(866)	(866)	(1,742)
Disbursements	-	(2,250)	(2,250)	-
Balance, end of year	\$ -	\$ 110,423	\$ 110,423	\$ 112,514

The accompanying notes are an integral part of this financial statement.

CORPORATION OF THE TOWNSHIP OF NORTH FRONTENAC

TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2021

1. Significant accounting policies:

The financial statements of the Corporation of the Township of North Frontenac Trust Funds (the "Trust Funds") are prepared by management in accordance with Canadian public sector accounting standards.

(a) Basis of presentation:

These statements reflect the assets, liabilities, revenue and expenses of the Trust Funds.

(b) Basis of accounting:

Revenue and expenses are recorded on an accrual basis.

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

(c) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

2. Statement of cash flows:

A statement of cash flows has not been included in these financial statements as it would not provide additional meaningful information.

b) A03/22 - 1051B South Kashwakamak Lake Lane - Request for Oversized Dock - Lesiuk

Howard and Vivienne Lesiuk (applicants) attended the meeting in person.

Dimitry Kurylovich advised the application is to permit an oversized dock, with a length of 16 metres and an area of 53 square metres. He noted the dock is within an inlet on Lake Kashwakamak.

He advised the application was circulated to Mississippi Valley Conservation Authority (MVCA) who recommended the dock be reduced in size to comply with the Zoning By-law. He noted the application was circulated to the Department of Fisheries and Oceans (DFO); however no comments were received. Kurylovich advised comments were received from members of the public, who did not support the application due to the area, length and navigation hazard created by the dock.

Kurylovich advised, in terms of the four tests of a Minor Variance, the application is not minor in nature, due to the potential navigation hazard; the dock is not desirable, as it is too large for the inlet area; and the length and area do not conform with the Township's Official Plan or Zoning By-law. He noted the inlet is not reserved for private land owners use; but should be available for use by all members of the public.

Tooley advised he completed the site inspection on April 18, 2022 and noted the required signs were posted. He noted the dock extends well into the bay, posing a potential navigation hazard for boat traffic, as well as swimmers in the middle of the bay. Tooley recommended reconfiguring the dock to reduce the extension into the bay.

Mr. Lesiuk advised he received the comments from the planner and members of the public, noting the substantial and reasonable objections. He advised he agreed with the recommendation to reduce the size of the dock. He advised there are two 10 foot sections connecting the dock to the shoreline, which he proposes to remove, thereby reducing the length of the dock. Mr. Lesiuk advised he would remove the triangular section at the top of the dock. Mr. Lesiuk provided a revised site plan to the Committee and planner for information purposes.

Kurylovich advised the amended site plan is fairly detailed and provides the appropriate area. He noted the concern with the dock extending into the deepest part of the bay appears to have been addressed. However, he would like to review the proposal in detail. He noted the amended application and site plan will have be circulated to neighbouring properties, members of public who provided comments and commenting agencies.

Colleen Ernewein, neighbour, asked if the new proposed length is the same as the length of the previous dock. Mr. Lesiuk advised it will be almost identical. Ms. Ernewein asked if the dock reconstruction would be complete for the summer season. Sproule advised a decision will not be made until the next Committee meeting on May 30, 2022, if the application is deferred.

Lynn Larabie, neighbour, advised her property is located east of the subject property. She advised the new proposed dock appears to meet the intent of the Zoning By-law;

3. Complete a Slope Inspection Record and Slope Stability Rating Chart, as per the Ontario Ministry of Natural Resources Erosion Hazard Limit Guidelines.
4. Add a Recommendations section to the report, outlining measures to mitigate potential adverse impacts to slope stability during and after construction.
5. Discuss and assess the extensive stairs that extend down the slope to the lake.
6. Discuss and assess a new septic system.
7. Building Envelope identified on the lot.

And That the waterbody setback is confirmed by an Ontario Land Surveyor to the satisfaction of the Township of North Frontenac.

Carried

d) A05/22 - 1280B Austris Road - Reduced Setback for Dwelling from a Steep Slope - Darroch

Romana Darroch (applicant) attended the meeting electronically.

Kapusta advised the application is to permit the construction of a dwelling within the required 15 metre setback of the top of a steep slope. She advised a Slope Stability study was provided with the application. Kapusta advised the existing trailer will be removed and a new septic system will be installed. She advised Mississippi Valley Conservation Authority (MVCA) was provided the Slope Stability study for peer review. MVCA indicated the study requires further work, but did not provide further details. Kapusta advised the application was not circulated to South Frontenac, Septic Approval Authority, for formal comments.

Sproule advised she completed the site inspection and noted a bunk house on the property. She advised the application stated development to be removed, which appeared to contradict structures on site (i.e. trailer, bunk house, storage shed). Kapusta advised the existing development referred to the mobile home and privy.

Ms. Darroch advised there are two storage sheds on the property. A metal shed which will be removed and a shed adjacent to the privy which be kept. She noted the bunk house will remain.

Sproule noted the report indicated the structure must be built on bedrock. Amy Runcier, architect for the project, noted the Cambium report provided recommendations to place the foundation on bedrock or below the frost line. Lichty noted the report stated "should be on solid rock". He asked if a schematic of the development is available. Ms. Runcier advised a schematic is being created and can be provided to the Committee.

Ms. Runcier advised the dwelling will be a one storey structure with a walk out basement, with shed roof to send run off away from the slope. Sproule noted the measurement of proposed structure is 19 metres by 31 metres. She noted the width of the ridge appeared to be 8 metre. Ms. Darroch advised the width of the ridge varies; as the slope runs to the south, the ridge widens to provide depth.

Tim Renczes, neighbour, noted the existing septic field is to be removed and asked if the existing field could be leveraged for the proposed system as it's already cleared. Kapusta advised the septic system is not included in the planning application as it

Seconded By: Gerry Lichty

Be It Resolved That the meeting adjourns at 3:50 p.m. until May 30, 2022, at 1:00 p.m. or at the call of the Chair.

Carried

Chair

Secretary-Treasurer