

Corporation of the Township of Assiginack

Consolidated Financial Statements

Year ended December 31, 2024

MANAGEMENT RESPONSIBILITY STATEMENT

The accompanying consolidated financial statements of the Corporation of the Township of Assiginack (“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. A summary of the significant accounting policies are described in Note 1 to these consolidated financial statements. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management’s judgement, 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.

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

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

Mayor
July 7, 2025

Treasurer



INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of **Corporation of the Township of Assiginack**, which comprise the consolidated statement of financial position as at **December 31, 2024**, and the consolidated statements of operations and changes in accumulated surplus, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at **December 31, 2024**, 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to note 2 to the consolidated financial statements, which explains that certain comparative figures presented for the year ended December 31, 2023 have been restated, the reason for the restatement and details the adjustments that were applied to restate the comparative amounts.

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

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

INDEPENDENT AUDITOR'S REPORT, continued

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT, continued

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.

Freelandt Caldwell Reilly LLP

FREELANDT CALDWELL REILLY LLP

Chartered Professional Accountants
Licensed Public Accountants

Espanola, Ontario
July 7, 2025

The Corporation of the Township of Assignack

Consolidated Statement of Financial Position

December 31, 2024 with comparative figures for 2023

	2024	2023
	\$	\$
		(restated - note 2)
Financial Assets		
Cash	7,030,067	6,355,558
Term deposits	36,372	36,372
Taxes receivable (note 3)	305,559	386,830
User charges receivable	234,376	369,111
Grants receivable	55,756	153,415
Other accounts receivable	108,270	123,544
	7,770,400	7,424,830
Financial Liabilities		
Accounts payable and accrued liabilities	459,930	659,648
Deferred revenue	713,663	477,622
Deferred revenue - obligatory funds (note 4)	440,103	381,958
Long-term debt (note 5)	1,626,050	1,754,530
Asset retirement obligation (note 6)	1,073,911	1,042,632
	4,313,657	4,316,390
Net Assets (note 7)	3,456,743	3,108,440
Non-financial Assets (note 8)		
Tangible capital assets (note 9)	15,098,856	15,683,510
Inventory	43,252	-
Prepaid expenses	36,002	34,523
	15,178,110	15,718,033
Accumulated Surplus	18,634,853	18,826,473

Contingent liabilities (note 14)

Commitments (note 15)

The Corporation of the Township of Assignack

Consolidated Statement of Operations and Changes in Accumulated Surplus

December 31, 2024 with comparative figures for 2023

	Budget \$	2024 \$	2023 \$ (restated - note 2)
Revenues			
Taxation			
Residential and farm		3,208,207	3,080,354
Commercial, industrial and business		145,149	147,796
Other governments and agencies		17,974	17,594
	3,319,889	3,371,330	3,245,744
Deduct:			
Amounts raised on behalf of the school boards	339,900	344,216	339,392
	2,979,989	3,027,114	2,906,352
Government Transfers			
Government of Canada	282,664	62,902	263,156
Province of Ontario	945,480	871,103	977,026
	1,228,144	934,005	1,240,182
User Charges			
Sewer and water charges	530,305	467,068	456,068
Fees and service charges	71,550	152,534	177,230
	601,855	619,602	633,298
Other			
Penalties and interest charges	75,900	64,674	77,073
Licences and permits	114,800	79,186	117,467
Investment income	240,000	223,072	230,769
Rents, donations and other	64,125	49,327	66,409
Loss on disposal of tangible capital assets	-	(66,078)	-
	494,825	350,181	491,718
Total Revenues	5,304,813	4,930,902	5,271,550
Expenditures			
General government	1,046,748	1,090,344	993,202
Protection to persons and property	572,950	555,372	553,713
Transportation services	1,072,115	1,096,247	1,744,326
Environmental services	678,324	1,052,742	1,145,357
Health services	326,663	365,872	339,264
Social and family services	191,726	191,724	185,867
Recreation and cultural services	273,925	602,547	1,258,982
Planning and development	174,800	167,674	115,935
Total Expenditures	4,337,251	5,122,522	6,336,646
Annual Surplus	967,562	(191,620)	(1,065,096)
Accumulated Surplus, beginning of year	19,240,676	19,240,676	20,222,749
Prior period restatement (note 2)	(414,203)	(414,203)	(331,180)
Accumulated Surplus, beginning of year, as restated	18,826,473	18,826,473	19,891,569
Accumulated Surplus, end of year	19,794,035	18,634,853	18,826,473

The Corporation of the Township of Assignack

Consolidated Statement of Changes in Net Assets

December 31, 2024 with comparative figures for 2023

	Budget	2024	2023
	\$	Actual	Actual
		\$	\$
			(restated - note 2)
Annual Surplus	967,562	(191,620)	(1,065,096)
Acquisition of tangible capital assets	(1,527,970)	(323,337)	(298,791)
Amortization of tangible capital assets	-	716,912	733,181
Loss on disposal of tangible capital assets	-	66,078	-
Proceeds on disposal of tangible capital assets	-	125,001	-
Change in inventory	-	(43,252)	-
Change in prepaid expenses	-	(1,479)	12,535
Change in net assets	(560,408)	348,303	(618,171)
Net Assets, beginning of year	3,514,243	3,514,243	4,046,713
Prior period restatement (note 2)	(405,803)	(405,803)	(320,102)
Net Assets, beginning of year, as restated	3,108,440	3,108,440	3,726,611
Net Assets, end of year	2,548,032	3,456,743	3,108,440

The Corporation of the Township of Assignack

Consolidated Statement of Cash Flows

December 31, 2024 with comparative figures for 2023

	2024 \$	2023 \$ (restated - note 2)
Cash flows from operations		
Annual Surplus	(191,620)	(1,065,096)
Items not involving cash		
Amortization of tangible capital assets	716,912	733,181
Accretion of asset retirement obligation	31,279	30,368
Loss on disposal of capital asset	66,078	-
	622,649	(301,547)
Changes in non-cash operating assets and liabilities		
Taxes receivable	81,271	(41,850)
User charges receivable	134,735	25,992
Grants receivable	97,659	177,124
Other accounts receivable	15,274	(10,775)
Accounts payable and accrued liabilities	(199,718)	384,810
Deferred revenue	236,041	91,320
Deferred revenue - obligatory reserve funds	58,145	54,752
Inventory	(43,252)	-
Prepaid expenses	(1,479)	12,535
	1,001,325	392,361
Capital transactions		
Proceeds on disposal of capital asset	125,001	-
Cash used to acquire tangible capital assets	(323,337)	(298,791)
	(198,336)	(298,791)
Investing transactions		
Change in term deposits	-	9,720
Financing transactions		
Proceeds of long-term debt	-	725,047
Repayment of long-term debt	(128,480)	(94,991)
Repayment of obligations under capital lease	-	(30,064)
	(128,480)	599,992
Increase in cash	674,509	703,282
Cash, beginning of year	6,355,558	5,652,276
Cash, end of year	7,030,067	6,355,558

Corporation of the Township of Assignack

Notes to the Consolidated Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

1. Significant accounting policies

The consolidated financial statements of the Township are the representation of management. The consolidated financial statements are prepared using Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Township are as follows:

(a) Reporting entity

(i) Local boards

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the Township and include the activities of all committees of Council and the following local boards which are under the control of Council:

- Assignack Library Board
- Assignack Museum Board
- Hilly Grove Cemetery Board

(ii) Joint local boards

These consolidated financial statements reflect contributions to the following joint local boards, which are not under the direct control of council, as expenses in the consolidated statement of operations:

- Public Health Sudbury & Districts
- Manitoulin-Sudbury District Services Board
- Manitoulin Centennial Manor
- Manitoulin Planning Board

The assets, liabilities, revenues and expenses of the joint local boards have not been proportionally consolidated in these financial statements.

(iii) Accounting for school board transactions

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

(iv) Trust funds

Trust funds and their related operations administered by the Township are not consolidated, but are reported separately on the Trust Funds financial statements.

Corporation of the Township of Assignack
Notes to the Consolidated Financial Statements
Year ended December 31, 2024 with comparative figures for 2023

1. Significant accounting policies, continued

(b) Accrual basis of accounting

The accrual basis of accounting recognizes revenues as they are 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.

(c) Tangible capital assets

Tangible capital assets are recorded at cost. The Township provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. The annual amortization rates are as follows:

Land improvements	20-30 years
Buildings	20-60 years
Equipment	5 years
Roads and bridges	20-40 years
Automotive	10-25 years
Water treatment and sewer	5-80 years

(d) Leases

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the Township are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Tangible capital assets recorded under capital leases is amortized on the same basis as described above. Payments under operating leases are expensed as incurred.

(e) Deferred revenue - obligatory reserve funds

The Township receives certain contributions under the authority of federal and provincial legislation. These contributions are restricted in their use and, until spent on qualifying projects or expenses, are recorded as deferred revenue.

Corporation of the Township of Assignack
Notes to the Consolidated Financial Statements
Year ended December 31, 2024 with comparative figures for 2023

1. Significant accounting policies, continued

(f) Revenue recognition

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Township 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 assessments. Once a supplementary assessment roll is received, the Township determines the taxes applicable and renders supplementary tax billings. Supplementary taxation revenues are recorded at the time these bills are issued.

Assessments and related property taxes are subject to appeal by ratepayers. Tax adjustments as a result of appeals are recorded when the result of the appeal is known.

The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the accounts in the period the interest and penalties are levied.

Government transfers are recognized in the period that the events giving rise to the transfer have occurred as long as: the transfer is authorized, the eligibility criteria, if any, have been met, and the amount can be reasonably estimated. Government transfers received before these criteria have been met are recorded in the accounts as deferred revenue and are recognized as revenue in the period in which all of these criteria are met.

Revenue from user charges, licenses, permits and rents are recognized in the period in which the goods or services are provided. Investment income is recognized in the period it is earned.

(g) 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 at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the consolidated financial statements in future periods could be significant. Accounts specifically affected by estimates in these consolidated financial statements are the estimated useful lives of tangible capital assets and asset retirement obligation.

Corporation of the Township of Assiginack
Notes to the Consolidated Financial Statements
Year ended December 31, 2024 with comparative figures for 2023

1. Significant accounting policies, continued

(h) Financial instruments

The Township initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Township subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities quoted in an active market or financial assets or liabilities designated to the fair value category, which are subsequently measured at fair value. Unrealized changes in fair value are recognized in the statement of operations in the period they occur.

Financial assets measured at amortized cost include cash, term deposits, taxes receivable, user charges receivable, grants receivable and other account receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and long-term debt.

(i) Asset retirement obligation

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation, the inflation rate or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

Corporation of the Township of Assiginack

Notes to the Consolidated Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

2. Prior period restatement

During the year the Township made adjustments to certain comparative figures presented in the December 31, 2023 consolidated financial statements to adjust the accounting treatment for Manitoulin Centennial Manor (the "Manor"), The Manitoulin Planning Board (the "Planning Board") and Manitoulin East Municipal Airport Commission Inc. (the "Airport").

The comparative figures reflected the Manor and the Planning Board as controlled government not-for-profit organizations requiring them to be proportionately consolidated in the financial statements of the Township. The Township has determined that the Manor to be a government not-for-profit organizations not under the direct control of Council and the Planning Board to be an other government organization not under the direct control of Council and as a result the comparative figures have been restated to reflect the Town's contributions to the Manor and the Planning Board as an expense in the consolidated statement of operations.

The comparative figures reflected the Airport as a government business enterprise which was accounted for under the modified equity basis of accounting. The Township has determined that the Airport is a government not-for-profit organization not under the direct control of Council and has restated the comparative figures to reflect the Town's contributions to the Airport as an expense in the consolidated statement of operations.

The impact of these restatements resulted in adjustments to the comparative figures as follows.

	As previously stated	Adjustments	Restated
Cash	\$ 6,582,535	\$ (226,977)	\$ 6,355,558
Term deposits	40,507	(4,135)	36,372
Grants receivable	155,640	(2,225)	153,415
Taxes receivable	386,830	-	386,830
User charges receivable	369,111	-	369,111
Other accounts receivable	139,929	(16,385)	123,544
Investment in government business enterprise	319,429	(319,429)	-
Accounts payable and accrued liabilities	(815,155)	155,507	(659,648)
Deferred revenue	(485,463)	7,841	(477,622)
Deferred revenue - obligatory reserve funds	(381,958)	-	(381,958)
Long-term debt	(1,754,530)	-	(1,754,530)
Asset retirement obligation	(1,042,632)	-	(1,042,632)
Change in net assets	3,514,243	(405,803)	3,108,440
Tangible capital assets	15,683,672	(162)	15,683,510
Prepaid expenses	42,761	(8,238)	34,523
Change in accumulated surplus	\$ 19,240,676	\$ (414,203)	\$ 18,826,473

Corporation of the Township of Assiginack
Notes to the Consolidated Financial Statements
Year ended December 31, 2024 with comparative figures for 2023

3. Taxes receivable

The components of taxes receivable are as follows:

	2024	2023
Taxes receivable	\$ 325,078	\$ 392,196
Interest receivable on outstanding tax balances	30,481	44,634
Allowance for uncollectible taxes receivable	(50,000)	(50,000)
	<u>\$ 305,559</u>	<u>\$ 386,830</u>

4. Deferred revenue - obligatory reserve funds

A requirement of Canadian public sector accounting standards 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 balances in the obligatory reserves funds of the Township are summarized below:

	2024	2023
Deferred revenue, beginning of year	\$ 381,958	\$ 327,206
Contributions received during the year	64,384	67,049
Interest earned	15,455	15,815
Amounts recognized as revenue during the year	(21,694)	(28,112)
Deferred revenue, end of year	<u>\$ 440,103</u>	<u>\$ 381,958</u>

Deferred revenue - obligatory reserve funds consist of the following:

	2024	2023
Canada Community Building Fund (formerly Federal Gas Tax)	<u>\$ 440,103</u>	<u>\$ 381,958</u>

Corporation of the Township of Assignack**Notes to the Consolidated Financial Statements****Year ended December 31, 2024 with comparative figures for 2023**

5. Long-term debt

	2024	2023
Ontario Ministry of Agriculture, Food and Rural Affairs tile drainage loan, repayable in annual instalments of \$3,872, including interest at 6.0% per annum, unsecured, maturing January 2026	\$ 7,099	\$ 10,351
BMO Bank of Montreal demand term loan, repayable in monthly instalments of \$4,517 plus interest at the bank's prime rate of interest per annum, unsecured, maturing July 2033	465,104	524,030
BMO Bank of Montreal demand term loan, repayable in monthly instalments of \$2,078, including interest at the bank's prime rate of interest per annum, unsecured, maturing August 2035	250,914	265,187
BMO Bank of Montreal demand term loan, repayable in monthly instalments of \$1,701, plus interest at the bank's prime rate of interest per annum, unsecured, maturing June 2036	214,286	235,568
BMO Bank of Montreal demand term loan, repayable in monthly instalments of \$6,181, including interest at the bank's prime rate of interest per annum, unsecured, maturing March 2038	688,647	719,394
	<u>\$ 1,626,050</u>	<u>\$ 1,754,530</u>
Estimated principal repayments in the next 5 years assuming normal terms of repayment are as follows:		
2025	\$ 123,799	
2026	126,920	
2027	126,371	
2028	129,675	
2029	133,197	
Subsequent years	986,088	
	<u>\$ 1,626,050</u>	

Corporation of the Township of Assignack

Notes to the Consolidated Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

6. Asset retirement obligation

A liability is recognized for future retirement obligations associated with the Township's landfill. The amount recognized is the net present value of estimated future expenditures required to fund the closure and post-closure monitoring requirements of the landfill. On initial measurement of the asset retirement obligation, a corresponding asset retirement cost was added to the carrying value of the related tangible capital asset for the landfill. This asset is being amortized on a straight-line basis over the useful life of the landfill.

The asset retirement obligation is calculated using the current estimated costs to close and monitor the landfill at the end of its useful life, inflated to the estimated closure date and discounted to current present value. The asset retirement obligation is being provided for over the accreted value from the initial obligation to the end of the useful life of the landfill. Future closure and monitoring expenditures will be charged against the accumulated liability as incurred.

Estimating the asset retirement obligation requires the estimation of costs many years into the future. Inherent in the calculation are numerous assumptions and estimates, including the expected future closure and monitoring costs, inflation factors, discount rates and the timing of settlement of obligations. Future revisions to any of these estimates may result in material changes to the asset retirement obligation amount recognized.

At December 31, 2024, the estimated total undiscounted inflation-adjusted amount required to settle the asset retirement obligation is \$2,158,597 (2023 - \$2,158,597). The estimated closure and post-closure monitoring costs are inflated at a rate of 3.0% (2023 - 3.0%) per annum. The cash flows are also discounted at the rate of 3.0% (2023 - 3.0%) per annum. The landfill is estimated to close in 2044 with the site continuing to be monitored for an additional 25 years post-closure.

	2024	2023
Asset retirement obligation, beginning of year	\$ 1,042,632	\$ 1,012,264
Accretion expense	31,279	30,368
Asset retirement obligation, end of year	\$ 1,073,911	\$ 1,042,632

Corporation of the Township of Assignack

Notes to the Consolidated Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

7. Net assets

The balance on the consolidated statement of financial position of net assets at the end of the year is comprised of the following:

	2024	2023
To be used for:		
the general increase in taxation and user charges	\$ (5,083,769)	\$ (5,207,761)
to be recovered from tax and user charges for the repayment of long-debt, obligations under capital lease and asset retirement obligation	2,699,961	2,797,162
for reserves and reserve funds	5,840,551	5,519,039
	<hr/>	<hr/>
	\$ 3,456,743	\$ 3,108,440

8. Non-financial assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Township because they can be used to provide services to residents and ratepayers of the Township in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

The Corporation of the Township of Assiginack

Notes to the Consolidated Financial Statements

December 31, 2024 with comparative figures for 2023

9. Tangible capital assets

2024	Land \$	Land Improvements \$	Buildings \$	Equipment	Roads and Bridges \$	Automotive Equipment \$	Water Treatment and Sewer \$	2024 Total \$
Cost								
Balance, beginning of year	916,697	623,023	10,724,610	-	7,741,682	1,943,530	10,686,347	32,635,889
Additions	-	41,403	-	14,715	139,114	-	128,105	323,337
Disposals	-	-	(328,359)	-	(70,000)	-	-	(398,359)
Balance, end of year	916,697	664,426	10,396,251	14,715	7,810,796	1,943,530	10,814,452	32,560,867
Accumulated Amortization								
Balance, beginning of year	-	144,983	3,999,187	-	5,221,741	1,391,308	6,195,160	16,952,379
Disposals	-	-	(174,030)	-	(33,250)	-	-	(207,280)
Amortization expense	-	23,740	202,956	2,943	118,545	90,227	278,501	716,912
Balance, end of year	-	168,723	4,028,113	2,943	5,307,036	1,481,535	6,473,661	17,462,011
Net book value	916,697	495,703	6,368,138	11,772	2,503,760	461,995	4,340,791	15,098,856
2023	Land \$	Land Improvements \$	Buildings \$	Equipment	Roads and Bridges \$	Automotive Equipment \$	Water Treatment and Sewer \$	2023 Total \$
								(restated - note 2)
Cost								
Balance, beginning of year	916,697	623,023	10,515,586	-	7,741,682	1,943,530	10,596,580	32,337,098
Additions	-	-	209,024	-	-	-	89,767	298,791
Disposals	-	-	-	-	-	-	-	-
Balance, end of year	916,697	623,023	10,724,610	-	7,741,682	1,943,530	10,686,347	32,635,889
Accumulated Amortization								
Balance, beginning of year	-	121,932	3,791,470	-	5,098,132	1,301,081	5,906,583	16,219,198
Disposals	-	-	-	-	-	-	-	-
Amortization expense	-	23,051	207,717	-	123,609	90,227	288,577	733,181
Balance, end of year	-	144,983	3,999,187	-	5,221,741	1,391,308	6,195,160	16,952,379
Net book value	916,697	478,040	6,725,423	-	2,519,941	552,222	4,491,187	15,683,510

Corporation of the Township of Assignack

Notes to the Consolidated Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

10. Contributions to non-consolidated joint local boards

	2024	2023
Further to note 1(a) (ii), the Township's apportionment for joint local boards are as follows:		
Manitoulin-Sudbury District Services Board	3.537 %	3.563 %
Public Health Sudbury & Districts	0.486 %	0.486 %
Manitoulin Centennial Manor	10.771 %	10.771 %
Manitoulin Planning Board	16.390 %	16.430 %
Manitoulin East Municipal Airport Commission Inc.	33.333 %	33.333 %

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

	2024	2023
Manitoulin-Sudbury District Services Board	\$ 411,192	\$ 398,620
Public Health Sudbury & Districts	51,308	45,811
Manitoulin Centennial Manor	45,887	44,988
Manitoulin Planning Board	19,685	19,164
Manitoulin East Municipal Airport Commission Inc.	33,500	32,516
	\$ 561,572	\$ 541,099

11. Trust funds

Trust funds administered by the Township amounting to \$239,632 (2023 - \$231,743) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statements of operations.

Corporation of the Township of Assignack
Notes to the Consolidated Financial Statements
Year ended December 31, 2024 with comparative figures for 2023

12. Segmented information

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

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

- ♦ General government consists of the Office of the Mayor, Council expenses, administrative services (including clerks, elections, communications, legal and information technology services), human resources and financial departments. Areas within the general government respond to the needs of external and internal clients by providing high quality, supportive and responsive services. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues, relating to governance, strategic planning and service delivery.
- ♦ Protection Services consists of fire, police, and animal control, building services, emergency measures and management of Provincial Offences Act. Police services ensure the safety of the lives and property of citizens; preserve peace and order; prevent crimes from occurring, detect offenders and enforce the law. Fire Services is responsible to provide fire suppression service; fire prevention programs, training and education related to prevention, detection and extinguishment of fires. The building services division processes permit applications and ensure compliance with the Ontario Building Code and with By-Laws enacted by Council.
- ♦ Transportation Services is responsible for management of roadways including bridges, traffic and winter control.
- ♦ Environmental Services is responsible for the management of waterworks, waste collection, waste disposal and recycling facilities and programs. This section is responsible for providing clean, potable water meeting all regulatory requirements and responsible for repairing breaks and leaks in the water system.
- ♦ Health and Social Services consists of assistance to aged persons, cemetery services as well as the Township's contribution to the Public Health Sudbury & Districts and Manitoulin-Sudbury District Services Board.
- ♦ Recreation and Cultural Services provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure service and provides management of arenas and leisure facilities. This section also contributes to the information needs of the Township's citizens through the provision of library and cultural services and by preserving local history and managing archived data.

Corporation of the Township of Assignack

Notes to the Consolidated Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

12. Segmented information, continued

- ♦ Planning and Development's goal is to offer coordinated development services in order to maximize economic development opportunities, and to ensure that the Township is planned and developed in accordance with the Ontario Planning Act, Provincial policies and good planning principles.

Certain allocation methodologies are employed in the preparation of segmented financial information.

The Corporation of the Township of Assiginack

Notes to the Consolidated Financial Statements

December 31, 2024 with comparative figures for 2023

12. Segmented information, continued

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health and Social Services \$	Recreation and Cultural Services \$	Planning and Development \$	2024 Total \$	2023 Total \$ (restated - note 2)
Revenues									
Taxation	3,027,114	-	-	-	-	-	-	3,027,114	2,906,352
Grants	714,190	8,291	-	76,441	-	135,083	-	934,005	1,240,182
User fees and service charges	41,844	8,196	400	467,870	40,355	58,768	2,169	619,602	633,298
Other	256,401	76,211	-	14,600	-	2,969	-	350,181	491,718
	4,039,549	92,698	400	558,911	40,355	196,820	2,169	4,930,902	5,271,550
Expenditures									
Salaries, wages and benefits	601,549	153,718	436,302	50,672	19,563	161,975	79,559	1,503,338	1,327,098
Purchase of goods and materials	392,784	111,304	415,996	303,266	25,369	254,123	68,430	1,571,272	2,270,116
Contracts and services	40,122	277,119	26,903	265,504	-	-	-	609,648	1,364,307
Amortization	20,451	13,231	183,546	401,801	4,277	124,885	-	748,191	733,282
Financial expenses	17,885	-	-	-	-	1,208	-	19,093	18,035
Interest on long-term debt	17,553	-	-	31,499	-	60,356	-	109,408	82,709
Other transfers (note 10)	-	-	33,500	-	508,387	-	19,685	561,572	541,099
	1,090,344	555,372	1,096,247	1,052,742	557,596	602,547	167,674	5,122,522	6,336,646
Excess (deficiency) of revenues over expenditures	2,949,205	(462,674)	(1,095,847)	(493,831)	(517,241)	(405,727)	(165,505)	(191,620)	(1,065,096)

Corporation of the Township of Assignack
Notes to the Consolidated Financial Statements
Year ended December 31, 2024 with comparative figures for 2023

13. Pension plan

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2024 was \$93,352 (2023 - \$77,470) for current service and is included as an expenditure on the consolidated statement of operations.

At December 31, 2024, the OMERS pension plan had total assets of \$162.8 billion (2023 - \$152.5 billion) and an accumulated deficit of \$2.913 billion (2023 – \$4.202 billion deficit).

14. Contingent liabilities

The Township receives transfers from the governments of Canada and Ontario. Some government transfers are subject to audit by the transferring government with adjustments, if any, repayable to the transferring government. Audit adjustments, if any, are recorded in the accounts in the year in which they become known.

15. Commitments

The Township has entered into a management services agreement with the Ontario Clean Water Agency (OCWA) to operate and maintain the Town's water treatment plant and distribution system. The agreement is for a ten-year period ending December 31, 2027. Required payments in each of the remaining years are as follows:

2025	\$	246,888
2026		251,228
2027		255,677
		<hr/>
		\$ 753,793

Corporation of the Township of Assiginack
Notes to the Consolidated Financial Statements
Year ended December 31, 2024 with comparative figures for 2023

16. Budget

The budget adopted by Council was not prepared on a basis consistent with that used to report actual results in these consolidated financial statements. The budget was prepared on a modified accrual basis while Canadian public-sector accounting standards require the full accrual basis. The budget figures include a transfer of the anticipated annual surplus to reserves. In addition, the budget expenses all tangible capital acquisitions and does not include a provision for amortization expense. As a result, the budget figures presented in the consolidated statements of operations and changes in accumulated surplus represent the budget adopted by Council, adjusted as follows:

	2024
Budget surplus approved by Council	\$ -
Add: Budgeted tangible capital asset acquisitions	1,527,970
Add: Budgeted repayment of long-term debt	202,675
Less: Budgeted transfers from reserves	(763,083)
Budget surplus per consolidated financial statements	\$ 967,562

17. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party financial risk. The Township is exposed to the following risks associated with financial instruments and transactions it is a party to:

(a) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Township is exposed to this risk relating to its cash, term deposits and various accounts receivable accounts.

The Township manages risk associated with its cash by holding its cash assets with large reputable financial institutions with high credit ratings.

The Township is exposed to credit risk in accounts receivable which includes rate payers, government and other receivables. The Township measures its exposure to credit risk with respect to accounts receivable based on how long the amounts have been outstanding and management's analysis of accounts. Risk is minimized through managements' ongoing analysis and monitoring of outstanding accounts receivable balances and collections.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Corporation of the Township of Assignack
Notes to the Consolidated Financial Statements
Year ended December 31, 2024 with comparative figures for 2023

17. Financial instruments, continued

(b) Liquidity risk

Liquidity risk is the risk that an entity cannot repay its obligations when they become due to its creditors. The Township is exposed to this risk relating to its accounts payable and accrued liabilities.

The Township reduces its exposure to liquidity risk by monitoring cash activities and expected outflow through extensive budgeting and maintaining enough cash to repay creditors, including long-term debt principle and interest, as those liabilities become due.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Township is exposed to this risk mainly in respect of its bank credit facilities.

The Township has minimal interest rate exposure on its bank credit facilities, which are variable based on the bank's prime rates. Interest expense incurred on the credit facilities is \$109,408 (2023 - \$82,709).

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

The Corporation of the Township of Assiginack
Schedule of Continuity of Reserves
December 31, 2024

	Total \$	Working Fund \$	Contingencies \$	Fire Department \$	Library Board \$	Water Works System \$	Emergency \$	Sunsite Water \$	Marina Docks \$	Legal Fees \$	Marina Beach Stairs Gas Pumps \$	Parklands \$	Elections \$	Safe Restart COVID \$	Planning \$	Water Main \$	Post Office Building \$	BWT \$	BWT Renovation \$
RESERVES																			
Balance, beginning of year	5,519,039	881,687	128,533	456,668	2,683	506,494	200	209,839	63,377	250,029	55,131	278,771	1,964	50,375	8,000	10,000	98,731	5,362	10,445
Appropriations from operations	644,096	30,589	17,291	41,149	-	37,103	-	13,200	-	59,485	-	-	2,260	-	-	-	132,336	-	-
Appropriations to operations	(322,584)	(15,822)	-	(6,268)	-	(569)	-	(17,392)	(19,773)	(56,138)	-	-	-	-	-	-	-	-	-
Balance, end of year	5,840,551	896,454	145,824	491,549	2,683	543,028	200	205,647	43,604	253,376	55,131	278,771	4,224	50,375	8,000	10,000	231,067	5,362	10,445
	Unallocated Capital	PEC Events \$	McLeans Park \$	Sewer Mains \$	Landfill / Recycling \$	Public Works \$	Inactive Cemeteries \$	Arena \$	Cenotaph Restoratio n \$	IT \$	Community Access Program \$	Assiginack Business Association \$	Fire Hydrants \$	Library Expansion \$	Municipal Building \$	Medical Clinic \$	Information Booth \$	Fire Hall Capital	Bldg Dept.
RESERVES																			
Balance, beginning of year	328,588	165,329	13,667	10,000	197,293	902,830	15,456	415,725	918	14,645	3,204	1,674	27,450	6,718	98,494	75,116	11,762	104,848	107,033
Appropriations from operations	-	20,501	-	-	-	245,939	-	33,799	-	-	-	-	-	-	-	10,444	-	-	-
Appropriations to operations	-	(22,082)	-	-	-	(142,214)	-	(13,373)	-	-	-	-	-	-	-	-	-	-	(28,953)
Balance, end of year	328,588	163,748	13,667	10,000	197,293	1,006,555	15,456	436,151	918	14,645	3,204	1,674	27,450	6,718	98,494	85,560	11,762	104,848	78,080