

THE TOWNSHIP OF ASSIGINACK

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

Treasurer

Date



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of the **Corporation of the Township of Assignack**, which comprise the statement of consolidated financial position as at December 31, 2023, 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 financial position of the **Corporation of the Township of Assignack** as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT (continued)

Auditors' 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 organization'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 organization'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 organization 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants
Licensed Public Accountants

Espanola, Ontario
August 20, 2024

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK
Consolidated Statement of Financial Position
December 31, 2023 with comparative figures for 2022

	2023	2022
	\$	\$
	(restated - note 2)	
Financial Assets		
Cash	6,582,535	5,798,775
Term deposits	40,507	54,850
Taxes receivable (note 3)	386,830	344,980
User charges receivable	369,111	395,103
Grants receivable	155,640	330,539
Other accounts receivable	139,929	153,123
Investment in government business enterprise (note 4)	319,429	257,952
	7,993,981	7,335,322
Financial Liabilities		
Accounts payable and accrued liabilities	815,155	372,648
Deferred revenue	485,463	421,953
Deferred revenue - obligatory funds (note 5)	381,958	327,206
Long-term debt (note 6)	1,754,530	1,124,474
Obligations under capital lease (note 7)	-	30,064
Asset retirement obligation (note 8)	1,042,632	1,012,264
	4,479,738	3,288,609
Net Assets (note 9)	3,514,243	4,046,713
Non-financial Assets (note 10)		
Tangible capital assets (note 11)	15,683,672	16,118,163
Prepaid expenses	42,761	57,873
	15,726,433	16,176,036
Accumulated Surplus	19,240,676	20,222,749

Contingent liabilities (note 16)

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

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK
Consolidated Statement of Operations and Changes in Accumulated Surplus
Year ended December 31, 2023 with comparative figures for 2022

	Budget	2023	2022
	\$	\$	\$
			(restated - note 2)
Revenues			
Taxation			
Residential and farm		3,080,354	3,058,803
Commercial, industrial and business		147,796	142,067
Other governments and agencies		17,594	17,594
	3,258,553	3,245,744	3,218,464
Deduct:			
Amounts raised on behalf of the school boards	339,900	339,392	337,187
	2,918,653	2,906,352	2,881,277
Government Transfers			
Government of Canada	760,012	263,156	255,720
Province of Ontario	1,024,223	1,505,786	2,009,682
	1,784,235	1,768,942	2,265,402
User Charges			
Sewer and water charges	521,365	456,068	452,595
Fees and service charges	75,525	380,631	507,562
	596,890	836,699	960,157
Other			
Penalties and interest charges	67,300	77,073	36,065
Licences and permits	77,050	117,467	78,432
Investment income	100,000	237,454	119,459
Rents, donations and other	61,500	69,738	68,935
Gain on disposal of tangible capital assets	-	-	-
	305,850	501,732	302,891
Total Revenues	5,605,628	6,013,725	6,409,727
Expenditures			
General government	999,034	993,202	928,711
Protection to persons and property	554,008	553,713	481,520
Transportation services	1,656,973	1,744,326	997,491
Environmental services	677,353	1,145,357	951,877
Health services	313,552	339,264	335,128
Social and family services	185,879	890,126	853,585
Recreation and cultural services	220,320	1,258,982	461,641
Planning and development	125,900	132,305	112,951
Total Expenditures	4,733,019	7,057,275	5,122,904
Annual Surplus before undernoted item	872,609	(1,043,550)	1,286,823
Earnings (loss) from investment in government business enterprise (note 4)	-	61,477	(1,204)
Annual Surplus	872,609	(982,073)	1,285,619
Accumulated Surplus, beginning of year	20,222,749	20,222,749	19,207,638
Adjustment on adoption of asset retirement obligation standard (note 2)	-	-	(270,508)
Accumulated Surplus, beginning of year, as restated	20,222,749	20,222,749	18,937,130
Accumulated Surplus, end of year	21,095,358	19,240,676	20,222,749

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

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Consolidated Statement of Changes in Net Assets****Year ended December 31, 2023 with comparative figures for 2022**

	Budget	2023	2022
	\$	Actual	Actual
		\$	\$
			(restated - note 2)
Annual Surplus	872,609	(982,073)	1,285,619
Acquisition of tangible capital assets	(1,621,721)	(298,791)	(893,525)
Amortization of tangible capital assets	-	733,282	749,875
Change in prepaid expenses	-	15,112	(27,454)
Change in net assets	(749,112)	(532,470)	1,114,515
Net Assets, beginning of year	4,046,713	4,046,713	3,476,338
Adjustment on adoption of asset retirement obligation standard (note 2)	-	-	(544,140)
Net Assets, beginning of year, as restated	4,046,713	4,046,713	2,932,198
Net Assets, end of year	3,297,601	3,514,243	4,046,713

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

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Consolidated Statement of Cashflows****Year ended December 31, 2023 with comparative figures for 2022**

	2023	2022
	\$	\$
		(restated - note 2)
Cash flows from operations		
Annual Surplus	(982,073)	1,285,619
Items not involving cash		
Amortization of tangible capital assets	733,282	749,875
Investment in government business enterprise - (earnings) loss	(61,477)	1,204
Accretion of asset retirement obligation	30,368	29,483
	(279,900)	2,066,181
Changes in non-cash operating assets and liabilities		
Taxes receivable	(41,850)	61,181
User charges receivable	25,992	15,736
Grants receivable	174,899	(171,240)
Other accounts receivable	13,194	52,860
Accounts payable and accrued liabilities	442,507	(155,105)
Deferred revenue	63,510	249,237
Deferred revenue - obligatory reserve funds	54,752	70,136
Prepaid expenses	15,112	(27,454)
	468,216	2,161,532
Capital transactions		
Cash used to acquire tangible capital assets	(298,791)	(893,525)
Investing transactions		
Change in term deposits	14,343	(7,875)
Financing transactions		
Proceeds of long-term debt	725,047	-
Repayment of long-term debt	(94,991)	(88,209)
Repayment of obligations under capital lease	(30,064)	(28,261)
	599,992	(116,470)
Increase in cash	783,760	1,143,662
Cash, beginning of year	5,798,775	4,655,113
Cash, end of year	6,582,535	5,798,775

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

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2023 with comparative figures for 2022

I. 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) Basis of Consolidation

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:

Sudbury and District Health Unit
Manitoulin-Sudbury District Services Board

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

iii) Proportionally Consolidated Entities

These consolidated statements reflect proportionally the Township's share of the assets, liabilities, revenues and expenses of the following joint local boards:

Manitoulin Centennial Manor
Manitoulin Planning Board

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2023 with comparative figures for 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

iv) Investment in Government Business Enterprise

The Manitoulin East Municipal Airport Commission Inc. is a government business enterprise and is accounted for using the modified equity method. Each year the Township's share of income from government business enterprise is recognized in the consolidated financial statements and the investment in the government business enterprise is adjusted to reflect the change in equity occurring during the year.

v) 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.

vi) 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.

b) Basis of Accounting

i) Accrual 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.

ii) Tangible Capital Assets

Tangible capital assets are recorded at cost. The Township provides for amortization using the straight-line method designed to amortize the cost, less any residual value, of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

	<u>Years</u>
Land improvements	20-30
Buildings	20-60
Roads and bridges	20-40
Automotive equipment	10-25
Furniture and equipment	5
Water and sewer	5-80

Additions are amortized at one half of the annual rate in the year of acquisition.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK
Notes to the Consolidated Financial Statements
December 31, 2023 with comparative figures for 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii) 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, a tangible capital asset is recorded together with its related capital lease obligation to reflect the acquisition and financing. Tangible capital assets recorded under capital leases are amortized on the same basis as described above. Payments under operating leases are expensed as incurred.

iv) 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 and rents are recognized in the period in which the goods or services are provided.

v) 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.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2023 with comparative figures for 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

vi) Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount 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 include the estimated useful lives of tangible capital assets and asset retirement obligation.

vii) 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 that are 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, long-term debt and obligations under capital lease.

viii) 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.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2023 with comparative figures for 2022**

2. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2022 the Township adopted the new Canadian public sector accounting standard PS 3280 – Asset Retirement Obligations. As a result of this adoption, the amounts presented as comparative figures in these consolidated financial statements have been restated from the prior year.

This new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets by public sector entities and replaces PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability. This change in accounting policy was adopted using the modified retrospective basis and reflects the following adjustments at the date of adoption:

- a) January 1, 2022: A \$273,632 increase to the land improvements tangible capital asset, a \$982,781 increase in the asset retirement obligation liability, a \$438,641 decrease in landfill closure and post-closure liability and a \$270,508 decrease in accumulated surplus.
- b) December 31, 2022: A \$11,897 increase in accumulated amortization of tangible capital assets, a \$29,483 increase in the asset retirement obligation liability resulting in an increase in amortization and accretion expense of \$41,380, and a decrease in landfill expense of \$29,908 resulting in a decrease in the annual surplus of \$11,472.

3. TAXES RECEIVABLE

The components of taxes receivable are as follows:

	2023	2022
	\$	\$
Taxes receivable	392,196	364,369
Interest receivable on outstanding tax balances	44,634	30,611
Allowance for uncollectible amounts	(50,000)	(50,000)
	386,830	344,980

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2023 with comparative figures for 2022**

4. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISE

The Manitoulin East Municipal Airport Commission Inc. is 1/3 owned by the Township. As this corporation is a business enterprise, it is accounted for using the modified equity method, as follows:

	2023	2022
	\$	\$
Long-term investment, beginning of year	257,952	259,156
Township's share of operating earnings (loss) for the year	61,477	(1,204)
Long-term investment, end of year	319,429	257,952

The loss is included in Other revenues, Rents and other on the consolidated statements of operations.

Condensed supplementary financial information on the Airport is as follows:

	2023	2022
	\$	\$
Financial Position		
Financial assets	277,103	205,876
Financial liabilities	188,966	66,613
Net assets	88,137	139,263
Non-Financial Assets		
Tangible capital assets	828,215	594,221
Inventory and prepaid expenses	41,935	40,372
	870,150	634,593
Accumulated surplus	958,287	773,856
Results of Operations		
Revenue	475,089	243,706
Expenses	290,658	247,318
Net earnings (loss)	184,431	(3,612)

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2023 with comparative figures for 2022**

5. 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:

	2023	2022
	\$	\$
Deferred revenue, beginning of year	327,206	257,070
Contributions received during the year	67,049	64,255
Interest earned	15,815	6,052
Amounts recognized as revenue during year	(28,112)	(171)
Deferred revenue, end of year	381,958	327,206

Deferred revenue - obligatory reserve consists of the following:

Federal gas tax revenue	381,958	327,206
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THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK
Notes to the Consolidated Financial Statements
December 31, 2023 with comparative figures for 2022

6. LONG-TERM DEBT

	2023 \$	2022 \$
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	10,351	13,418
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	524,030	578,217
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	265,187	276,863
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	235,568	255,976
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	719,394	-
	1,754,530	1,124,474

Principal payments on the long-term debt over the next 5 years, are payable as follows:

Payments in the next 5 years assuming normal terms of repayment

2024	120,865
2025	123,799
2026	126,920
2027	126,371
2028	129,675
Thereafter	1,126,900
	1,754,530

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2023 with comparative figures for 2022****7. OBLIGATIONS UNDER CAPITAL LEASE**

	2023	2022
	\$	\$
Travelers Leasing Ltd. capital lease, repayable in monthly instalments of \$2,568 including interest at a rate of 5.25% per annum, secured by a specific vehicle with a carrying value of \$54,909, matured during the year	-	30,064

The cost and net book value of automotive equipment under capital lease is \$219,635 and \$54,909 respectively.

8. 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, 2023, the estimated total undiscounted inflation-adjusted amount required to settle the asset retirement obligation is \$2,158,597. The estimated closure and post-closure monitoring costs are inflated at a rate of 3.0% per annum. The cash flows are also discounted at the rate of 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.

	2023	2022
	\$	\$
Asset retirement obligation, beginning of year	1,012,264	982,781
Accretion expense	30,368	29,483
Asset retirement obligation, end of year	1,042,632	1,012,264

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK
Notes to the Consolidated Financial Statements
December 31, 2023 with comparative figures for 2022

9. 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:

	2023 \$	2022 \$
		(retated, note 2)
To be used:		
- for the general increase in taxation and user charges	(5,207,761)	(4,074,190)
- to be recovered from tax and user charges for the repayment of long-debt, obligations under capital lease and asset retirement obligation	2,797,162	2,166,802
- for the general operations of joint and local boards	405,803	320,100
- for reserves and reserve funds	5,519,039	5,634,001
	<u>3,514,243</u>	<u>4,046,713</u>

10. 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 ASSIGNACK

Notes to the Consolidated Financial Statements

December 31, 2023 with comparative figures for 2022

11. TANGIBLE CAPITAL ASSETS

2023	Land \$	Land Improvements \$	Buildings \$	Roads and Bridges \$	Automotive Equipment \$	Furniture and Equipment \$	Water Treatment and Sewer \$	2023 Total \$
Cost								
Balance, beginning of year	916,697	623,023	10,515,586	7,741,722	1,988,204	4,035	10,551,906	32,341,173
Additions	-	-	209,024	-	-	-	89,767	298,791
Disposals	-	-	-	-	-	-	-	-
Balance, end of year	916,697	623,023	10,724,610	7,741,722	1,988,204	4,035	10,641,673	32,639,964
Accumulated Amortization								
Balance, beginning of year	-	121,932	3,791,470	5,099,456	1,334,469	3,770	5,871,913	16,223,010
Disposals	-	-	-	-	-	-	-	-
Amortization expense	-	23,050	207,716	123,609	90,227	103	288,577	733,282
Balance, end of year	-	144,982	3,999,186	5,223,065	1,424,696	3,873	6,160,490	16,956,292
Net book value	916,697	478,041	6,725,424	2,518,657	563,508	162	4,481,183	15,683,672

2022 (restated, note 2)	Land \$	Land Improvements \$	Buildings \$	Roads and Bridges \$	Automotive Equipment \$	Furniture and Equipment \$	Water Treatment and Sewer \$	2022 Total (restated, note 2) \$
Cost								
Balance, beginning of year	916,697	513,197	10,303,187	7,222,505	1,988,204	4,035	10,499,823	31,447,648
Additions	-	109,826	212,399	519,217	-	-	52,083	893,525
Disposals	-	-	-	-	-	-	-	-
Balance, end of year	916,697	623,023	10,515,586	7,741,722	1,988,204	4,035	10,551,906	32,341,173
Accumulated Amortization								
Balance, beginning of year	-	101,627	3,585,879	4,961,451	1,242,797	3,667	5,577,714	15,473,135
Disposals	-	-	-	-	-	-	-	-
Amortization expense	-	20,305	205,591	138,005	91,672	103	294,199	749,875
Balance, end of year	-	121,932	3,791,470	5,099,456	1,334,469	3,770	5,871,913	16,223,010
Net book value	916,697	501,091	6,724,116	2,642,266	653,735	265	4,679,993	16,118,163

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2023 with comparative figures for 2022**

12. CONTRIBUTIONS TO NON-CONSOLIDATED JOINT LOCAL BOARDS

Further to note 1(a) (ii), the following contributions were made by the Township to these joint local boards:

	2023	2022
	\$	\$
Manitoulin-Sudbury District Services Board	398,620	386,730
Sudbury & District Health Unit	45,811	41,673
	444,431	428,403

The Township's share of the assets, liabilities, revenue and expenses of these joint local boards are as follows:

	2023	2022
	%	%
Manitoulin-Sudbury District Services Board	3.563	3.560
Sudbury and District Health Unit	0.486	0.459

13. TRUST FUNDS

Trust funds administered by the Township amounting to \$231,743 (2022 - \$214,165) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statements of operations.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2023 with comparative figures for 2022

14. SEGMENTED DISCLOSURE

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

General government consists of: 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

This section 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

This area is responsible for management of roadways including bridges, traffic and winter control.

Environmental Services

In addition to the management of waterworks, this area is responsible for 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

This section consists of assistance to aged persons, cemetery services as well as the Township's contribution to the Sudbury and District Health Unit and Manitoulin-Sudbury District Services Board.

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

Notes to the Consolidated Financial Statements

December 31, 2023 with comparative figures for 2022

14. SEGMENTED DISCLOSURE (continued)

Recreation and Cultural Services

This section 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.

Planning and Development

The goal of this section 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, 2023

14. SEGMENTED DISCLOSURE (continued)

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health and Social Services \$	Recreation and Cultural Services \$	Planning and Development \$	2023 Total \$	2022 Total \$
Revenues									(restated - note 2)
Taxation	2,906,352	-	-	-	-	-	-	2,906,352	2,881,277
Grants	690,700	4,270	128,667	136,533	530,381	208,355	70,036	1,768,942	2,265,402
User fees and service charges	61,136	5,248	10,277	457,113	235,311	46,419	21,195	836,699	960,157
Other	346,862	115,767	3,516	20,324	12,653	2,527	83	501,732	302,891
	4,005,050	125,285	142,460	613,970	778,345	257,301	91,314	6,013,725	6,409,727
Expenditures									
Salaries, wages and benefits	534,349	149,997	384,304	58,225	9,927	115,002	75,294	1,327,098	1,113,698
Purchase of goods and materials	356,230	108,477	1,106,655	420,505	770,754	236,172	56,103	3,054,896	2,154,964
Contracts and services	39,792	282,359	25,885	256,279	-	759,992	-	1,364,307	587,764
Amortization	27,176	12,880	193,673	372,308	4,277	122,865	103	733,282	737,978
Financial expenses	16,835	-	-	-	-	1,200	-	18,035	17,206
Interest on long-term debt	18,820	-	1,293	38,040	-	23,751	805	82,709	51,111
Other transfers	-	-	32,516	-	444,432	-	-	476,948	460,183
	993,202	553,713	1,744,326	1,145,357	1,229,390	1,258,982	132,305	7,057,275	5,122,904
Excess (deficiency) of revenues over expenditures	3,011,848	(428,428)	(1,601,866)	(531,387)	(451,045)	(1,001,681)	(40,991)	(1,043,550)	1,286,823

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2023**

15. 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 2023 was \$77,470 (2022 - \$61,789) for current service and is included as an expenditure on the consolidated statement of operations.

At December 31, 2023, the OMERS pension plan had total assets of \$152.5 billion (2022 - \$155.8 billion) and an accumulated deficit of \$4.202 million (2022 - \$6.678 million deficit).

16. 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.

17. COMMITMENT

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 next five years are as follows:

	\$
2024	242,653
2025	246,888
2026	251,228
2027	255,677
	<u>996,446</u>

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK**Notes to the Consolidated Financial Statements****December 31, 2023**

18. 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:

	2023
	\$
Budget surplus per consolidated financial statements	872,609
Less: Budgeted transfers from reserves and reserve funds	908,972
Add: Budgeted tangible capital asset additions	(1,621,721)
Add: Budgeted repayment of long-term debt	(159,860)
Budget surplus approved by Council	-

19. 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 holds its cash accounts with large reputable financial institutions, from which management believes the risk of loss due to credit risk to be remote.

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.

19. 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 and capital lease obligation 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 \$82,709 (2022 - \$51,111).

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.

December 31, 2023

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of the **Trust Funds of the Corporation of the Township of Assiginack**, which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **Trust Funds of the Corporation of the Township of Assiginack** as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

INDEPENDENT AUDITORS' REPORT (continued)

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 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 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 auditor's 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 auditor's 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.

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

Chartered Professional Accountants
Licensed Public Accountants

Espanola, Ontario
August 20, 2024

THE CORPORATION OF THE TOWNSHIP OF ASSIGNACK

TRUST FUNDS

Statement of Financial Position

December 31, 2023

	Sick Room Equipment \$	Hinds Hughson Cemetery \$	Airport \$	McLean's Park \$	Hilly Grove Perpetual Care \$	Hilly Grove Monument \$	Total \$
Assets							
Cash	230	15,628	57,581	9,610	89,361	32,217	204,627
Due from (to) Township	-	-	-	-	25,947	1,169	27,116
Net Assets	230	15,628	57,581	9,610	115,308	33,386	231,743

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

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK

TRUST FUNDS

Statement of Operations and Changes in Net Assets
Year ended December 31, 2023

	Sick Room Equipment	Hinds Hughson Cemetery	Airport	McLean's Park	Hilly Grove Perpetual Care	Hilly Grove Monument	Total
	\$	\$	\$	\$	\$	\$	\$
Net assets, beginning of year	230	15,628	57,581	9,610	100,247	30,869	214,165
Revenues							
Plot sales	-	-	-	-	12,180	1,700	13,880
Interest income	-	-	-	-	2,881	817	3,698
	-	-	-	-	15,061	2,517	17,578
Expenditures							
	-	-	-	-	-	-	-
Net assets, end of year	230	15,628	57,581	9,610	115,308	33,386	231,743

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

THE CORPORATION OF THE TOWNSHIP OF ASSIGINACK
TRUST FUNDS
Notes to the Financial Statements
December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation of the Township of Assiginack Trust Funds are the representation of management prepared using Canadian public sector accounting standards. Since precise determination of assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use careful judgement.

i) Basis of Consolidation

The Trust Funds have not been consolidated with the financial statements of the Township of Assiginack.

ii) Basis of Accounting

The accrual basis of accounting recognizes revenues as they become available and measurable, expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

iii) Financial Instruments

The Trust Funds initially measure 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 Trust Funds subsequently measure its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are 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.

Financial assets measured at amortized cost include cash.

2. CASH FLOW STATEMENT

A cash flow statement has not been presented because it would not provide any additional information which is not readily apparent in the financial statements.



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of the **Assiginack Public Library Board of the Corporation of the Township of Assiginack**, which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **Assiginack Public Library Board of the Corporation of the Township of Assiginack** as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

The Board 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 organization 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.

INDEPENDENT AUDITORS' REPORT (continued)

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 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 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 the Board'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 auditor's 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 auditor's 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.

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

Chartered Professional Accountants
Licensed Public Accountants

Espanola, Ontario
August 20, 2024

ASSIGINACK PUBLIC LIBRARY BOARD
Statement of Financial Position
December 31, 2023 with comparative figures for 2022

	2023	2022
	\$	\$
Financial Assets		
Cash	25,977	6,792
Guaranteed investment certificates	36,372	48,576
Accounts receivable	362	210
	62,711	55,578
Financial Liabilities		
Accounts payable and accrued liabilities	384	-
Total Assets being Net Assets (note 2)	62,327	55,578

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

ASSIGINACK PUBLIC LIBRARY BOARD
Statement of Operations and Changes in Net Assets
Year ended December 31, 2023 with comparative figures 2022

	Budget	2023	2022
	\$	(Actual)	(Actual)
	\$	\$	\$
Revenues			
Municipal contribution	41,685	41,685	41,685
Province of Ontario contributions	3,483	3,483	3,483
Donations	-	2,690	2,484
Interest and fines	-	2,054	656
Government of Canada contributions	-	1,860	-
Total Revenues	45,168	51,772	48,308
Expenditures			
Wages and employee benefits	34,492	33,390	33,060
Books and other library materials and equipment	4,543	7,811	4,199
Rent	1,200	1,200	1,200
Office supplies	1,425	866	632
Telephone	980	788	865
Miscellaneous	1,810	665	923
Insurance	168	168	168
Membership and conference	550	135	-
Total Expenditures	45,168	45,023	41,047
Annual surplus	-	6,749	7,261
Net assets, beginning of year	55,578	55,578	48,317
Net assets, end of year	55,578	62,327	55,578

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

ASSIGINACK PUBLIC LIBRARY BOARD
Notes to the Financial Statements
December 31, 2023 with comparative figures for 2022

1. ACCOUNTING POLICIES

The financial statements of the Assiginack Public Library Board are the representation of management prepared using Canadian public sector accounting standards. Since precise determination of assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximation. These have been made using careful judgement.

a) Basis of Accounting

i) Accrual Accounting

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes the revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of legal obligation to pay.

ii) Inventories of books and supplies

No value is attached to inventories for municipal reporting purposes. Expenditures on books and supplies are charged to operations as they are incurred.

iii) Financial Instruments

The Board 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 Board subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are 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.

Financial assets measured at amortized cost include cash, guaranteed investment certificates and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

ASSIGINACK PUBLIC LIBRARY BOARD
Notes to the Financial Statements
December 31, 2023 with comparative figures for 2022

2. NET ASSETS

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

	2023	2022
	\$	\$
To be used:		
- for the general reduction of user charges	59,644	52,895
- for the reserve fund	2,683	2,683
	62,327	55,578

3. CASH FLOW STATEMENT

A cash flow statement has not been presented because it would not provide any additional information which is not readily apparent in the financial statements.



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of the **Assiginack Museum Board of the Corporation of the Township of Assiginack**, which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **Assiginack Museum Board of the Corporation of the Township of Assiginack** as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

The Board 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 organization 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.

INDEPENDENT AUDITORS' REPORT (continued)

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 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 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 the Board'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 auditor's 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 auditor's 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.

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

Chartered Professional Accountants
Licensed Public Accountants

Espanola, Ontario
August 20, 2024

ASSIGINACK MUSEUM BOARD
Statement of Financial Position
December 31, 2023 with comparative figures for 2022

	2023	2022
	\$	\$
Financial Assets		
Cash	152,485	132,040
Accounts receivable	-	1,011
	152,485	133,051
Financial Liabilities		
Accounts payable and accrued liabilities	130,124	102,796
Net assets	22,361	30,255

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

ASSIGINACK MUSEUM BOARD**Statement of Operations and Changes in Net Assets****Year ended December 31, 2023 with comparative figures for 2022**

	2023	2022
	\$	\$
Revenues		
Municipal grant	20,000	20,000
Admission, sales and other	3,828	3,686
Province of Ontario	3,382	7,071
Government of Canada	2,163	4,000
Total Revenues	29,373	34,757
Expenditures		
Wages	27,057	24,275
Utilities	6,128	4,344
Repairs and maintenance	2,412	1,589
Telephone	1,071	1,010
Operating supplies and materials	499	247
Advertising and memberships	100	219
Total Expenditures	37,267	31,684
Annual surplus (deficit)	(7,894)	3,073
Net assets, beginning of year	30,255	27,182
Net assets, end of year	22,361	30,255

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

ASSIGINACK MUSEUM BOARD

Notes to the Financial Statements

December 31, 2023

1. ACCOUNTING POLICIES

The financial statements of the Assiginack Museum Board are the representation of management prepared using Canadian public sector accounting standards. Since precise determination of assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximation. These have been made using careful judgement.

a) Basis of Accounting

i) Accrual Accounting

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes the revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of legal obligation to pay.

ii) Financial Instruments

The Board 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 Board subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are 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.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

2. CASH FLOW STATEMENT

A cash flow statement has not been presented because it would not provide any additional information which is not readily apparent in the financial statements.



INDEPENDENT AUDITORS' REPORT

To the Members of the Hilly Grove Cemetery Board

Opinion

We have audited the financial statements of the **Hilly Grove Cemetery Board**, which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in net debt for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **Hilly Grove Cemetery Board** as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

The Board 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 organization 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.

INDEPENDENT AUDITORS' REPORT (continued)

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 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 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 the Board'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 auditor's 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 auditor's 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.

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

Chartered Professional Accountants
Licensed Public Accountants

Espanola, Ontario
August 20, 2024

HILLY GROVE CEMETERY BOARD**Statement of Financial Position****December 31, 2023 with comparative figures for 2022**

	2023	2022
	\$	\$
Financial Assets		
Cash	51,349	19,526
Accounts receivable	167	135
Total Assets	51,516	19,661
Financial Liabilities		
Due to Township of Assiginack	25,618	34,728
Due to Perpetual Care Trust	25,947	10,886
Due to (from) Monument Trust	1,169	(1,348)
Total Liabilities	52,734	44,266
Net Debt	(1,218)	(24,605)

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

HILLY GROVE CEMETERY BOARD**Statement of Operations and Changes in Net Debt****Year Ended December 31, 2023 with comparative figures for 2022**

	2023	2022
	\$	\$
Revenues		
Plot and monument sales	37,155	18,225
Municipal contributions	13,000	9,000
Opening and closing	2,994	6,000
Interest and other	166	-
Total Revenues	53,315	33,225
Expenditures		
Plot and monument sales	13,880	7,250
Wages and benefits	9,927	10,215
Miscellaneous	2,618	1,443
Interment fees	1,600	4,550
Repairs and maintenance	1,525	1,484
Hydro and fuel	378	371
Total Expenditures	29,928	25,313
Annual surplus	23,387	7,912
Net debt, beginning of year	(24,605)	(32,517)
Net debt, end of year	(1,218)	(24,605)

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

HILLY GROVE CEMETERY BOARD

Note to the Financial Statements

December 31, 2023 with comparative figures for 2022

1. ACCOUNTING POLICIES

The financial statements of the **Hilly Grove Cemetery Board** are the representation of management prepared using Canadian public sector accounting standards. Since precise determination of assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximation. These have been made using careful judgement.

a) Basis of Accounting

i) Accrual Accounting

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes the revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of legal obligation to pay.

ii) Financial Instruments

The Board 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 Board subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are 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.

Financial assets measured at amortized cost include cash and account receivables.

Financial liabilities measured at amortized cost include amounts due to the Township of Assiginack, Perpetual Care Trust and Monument Trust.

2. TRUST FUNDS

Trust funds administered by the Board amounting to \$148,694 (2022 - \$131,116) have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Current Fund Operations.

3. CASH FLOW STATEMENT

A cash flow statement has not been presented because it would not provide any additional information which is not readily apparent in the financial statements

INDEPENDENT AUDITORS' REPORT

To the Members of the Hilly Grove Cemetery Board

Opinion

We have audited the financial statements of the **Hilly Grove Cemetery Board – Trust Funds of the Corporation of the Township of Assiginack**, which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **Hilly Grove Cemetery Board – Trust Funds of the Corporation of the Township of Assiginack** as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

The Board 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 organization 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.

INDEPENDENT AUDITORS' REPORT (continued)

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 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 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 the Board'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 auditor's 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 auditor's 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.

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

Chartered Professional Accountants
Licensed Public Accountants

Espanola, Ontario
August 20, 2024

HILLY GROVE CEMETERY BOARD
TRUST FUNDS
Statement of Financial Position
December 31, 2023 with comparative figures for 2022

	Perpetual Care	Monuments	2023	2022
	\$	\$	\$	\$
Assets				
Cash	89,361	32,217	121,578	121,578
Due from (to) Cemetery Board	25,947	1,169	27,116	9,538
Total Assets being Net Assets	115,308	33,386	148,694	131,116

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

HILLY GROVE CEMETERY BOARD**TRUST FUNDS****Statement of Operations and Changes in Net Assets****Year ended December 31, 2023 with comparative figures for 2022**

	Perpetual Care	Monuments	2023	2022
	\$	\$	\$	\$
Net assets, beginning of year	100,247	30,869	131,116	122,102
Receipts				
Sales	12,180	1,700	13,880	7,250
Interest earned	2,881	817	3,698	1,764
	15,061	2,517	17,578	9,014
Expenditures	-	-	-	-
Net assets, end of year	115,308	33,386	148,694	131,116

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

HILLY GROVE CEMETERY BOARD
TRUST FUNDS
Notes to the Financial Statements
December 31, 2023

1. ACCOUNTING POLICIES

The financial statements of the **Hilly Grove Cemetery Board - Trust Funds** are the representation of management prepared using Canadian public sector accounting standards. Since precise determination of assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximation. These have been made using careful judgement.

a) Basis of Accounting

i) Accrual Accounting

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes the revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of legal obligation to pay.

ii) Financial Instruments

The Trust Funds initially measure 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 Trust Funds subsequently measure its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are 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.

Financial assets measured at amortized cost include cash.

2. CASH FLOW STATEMENT

A cash flow statement has not been presented because it would not provide any additional information which is not readily apparent in the financial statements.