

**THE CORPORATION OF THE
TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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MEREDITH AND ABERDEEN ADDITIONAL
FINANCIAL STATEMENTS
YEAR ENDED 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 Macdonald, Meredith and Aberdeen Additional

Qualified Opinion

We have audited the accompanying financial statements of the **Corporation of the Township of Macdonald, Meredith and Aberdeen Additional (the "Township")**, which comprise:

- the consolidated statement of financial position as at **December 31, 2023**
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets (net debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

In our opinion, except for the effect of adjustments, if any as explained in the Basis of Qualified Opinion Paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the **Township** as at **December 31, 2023**, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The **Corporation of the Township of Macdonald, Meredith and Aberdeen Additional** derives revenue from recreation cash receipts, miscellaneous sales and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our examination of this revenue was limited to the amount recorded in the records of the **Township** and we were not able to determine whether any adjustments might be necessary to recreation revenue, miscellaneous sales, assets, liabilities and accumulated surplus balances. Our audit opinion on the consolidated financial statements for the year ended **December 31, 2022** was modified accordingly because of the possible effects of this departure from Canadian public sector accounting standards.

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 **Township** in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 qualified 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 **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.



Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the **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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the **Township** 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 represents 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.

Suraci & Olszewski LLP

**Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Canada
August 20, 2024**

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31,**

2023

2022

FINANCIAL ASSETS

Cash and cash equivalents	\$ 5,979,483	\$ 6,345,980
Taxes receivable (allowance for doubtful \$80,000)	246,290	218,716
Accounts receivable (HST \$134,168)	587,981	258,207
	<u>6,813,754</u>	<u>6,822,903</u>

FINANCIAL LIABILITIES

Accounts payable and accrued liabilities	403,299	334,744
Other liabilities (note 8)	284,826	306,193
Asset retirement obligation (note 10)	115,754	87,607
	<u>803,879</u>	<u>728,544</u>

NET FINANCIAL ASSETS

6,009,875 6,094,359

NON - FINANCIAL ASSETS

Tangible capital assets (note 11)	13,992,665	13,670,971
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ACCUMULATED SURPLUS (note 7)

\$ 20,002,540 \$ 19,765,330

Commitment (note 6)

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

_____ CAO

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
CONSOLIDATED STATEMENT OF OPERATIONS**

YEAR ENDED DECEMBER 31,	Budget (Unaudited)	2023	2022
REVENUE			
Taxation, net	\$ 2,400,000	\$ 2,410,332	\$ 2,383,979
Government of Canada	116,057	116,058	123,705
Province of Ontario	1,182,556	1,262,569	1,017,233
Penalties and interest	40,000	48,109	48,475
Investment income	195,000	262,003	69,875
User charges and other	410,958	398,987	582,118
Other municipalities	87,555	95,305	65,425
	4,432,126	4,593,363	4,290,810
EXPENDITURES			
General government	989,010	977,107	957,427
Protection to persons and property	421,160	454,320	418,043
Transportation services	1,014,510	903,645	961,926
Environmental services	590,660	797,641	561,100
Health services	100,634	94,139	95,459
Social and family services	568,115	568,115	550,250
Recreation and cultural services	472,510	540,936	447,629
Planning and development	34,000	20,250	11,981
	4,190,599	4,356,153	4,003,815
ANNUAL SURPLUS	241,527	237,210	286,995
Accumulated Surplus, beginning of year	19,765,330	19,765,330	19,478,335
Accumulated Surplus, end of year (note 7)	\$ 20,006,857	\$ 20,002,540	\$ 19,765,330

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
 MEREDITH AND ABERDEEN ADDITIONAL
 CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

YEAR ENDED DECEMBER 31,	Budget (Unaudited)	2023	2022
Annual Surplus	\$ 241,527	\$ 237,210	\$ 286,995
Acquisition of Tangible Capital Assets	(1,083,834)	(1,105,680)	(824,080)
Amortization of Tangible Capital Assets	-	783,986	804,455
Change in Net Financial Assets	(842,307)	(84,484)	267,370
Net Financial Assets, Beginning of Year	6,094,359	6,094,359	5,826,989
Net Financial Assets, End of Year	\$ 5,252,052	\$ 6,009,875	\$ 6,094,359

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
CONSOLIDATED STATEMENT OF CASH FLOWS**

YEAR ENDED DECEMBER 31,	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual Surplus	\$ 237,210	\$ 286,995
Annual amortization	783,986	804,455
Uses:		
Increase in taxes receivable	(27,574)	-
Increase in accounts receivable	(329,774)	(6,620)
Decrease in landfill liabilities	-	(106,282)
Decrease in other current liabilities	(21,367)	-
	<u>(378,715)</u>	<u>(112,902)</u>
Sources:		
Decrease in taxes receivable	-	10,118
Increase in accounts payable and accrued liabilities	68,555	35,829
Increase in other current liabilities	-	294,834
Increase in landfill liability	28,147	-
	<u>96,702</u>	<u>340,781</u>
Net increase in cash from operating activities	739,183	1,319,329
CASH FLOWS FROM CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(1,105,680)	(824,080)
Net change in cash and equivalents	(366,497)	495,249
Cash and cash equivalents, beginning of year	6,345,980	5,850,731
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 5,979,483	\$ 6,345,980

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DECEMBER 31, 2023

The Corporation of the Township of Macdonald, Meredith and Aberdeen Additional ("the Township") is a municipality in the Province of Ontario, Canada. The Township conducts its operations in accordance with the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

MANAGEMENT RESPONSIBILITY

The consolidated financial statements of the Corporation of the Township of Macdonald, Meredith and Aberdeen Additional are the representation of management, prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependant upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment.

REPORTING ENTITY

These consolidated statements reflect the assets, liabilities, operating revenues and expenditures, reserve funds and reserves and tangible capital assets of Macdonald, Meredith and Aberdeen Additional. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of the financial affairs and resources of the Township, and which are owned or controlled by Macdonald, Meredith and Aberdeen Additional.

All material inter-entity transactions and balances are eliminated on consolidation.

NON-CONSOLIDATED ENTITIES

The following local boards, joint local boards and municipal enterprises are not consolidated:

Algoma Health Unit
Algoma District Services Administration Board
Algoma District School Board
Huron Superior Catholic District School Board
Conseil Scolaire Du District Du Grand Nord De L'Ontario
Le Conseil Scolaire Catholique Du Nouvel Ontario

ACCOUNTING FOR SCHOOL BOARD TRANSACTIONS

The taxation, other revenue, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements except to record any resulting receivable or payable balance with the Township.

TRUST FUNDS

Trust funds and their related operations administered by the Township are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Statement of Financial Position."

BASIS OF ACCOUNTING - ACCRUAL ACCOUNTING

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become earned 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.

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DECEMBER 31, 2023

NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge liabilities but are held for use in the provision of services. The useful lives of such assets extend beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the net revenue (expenditure), provides the Change in Net Financial Assets for the year.

TANGIBLE CAPITAL ASSETS

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

	<u>Useful Life - Years</u>
General (Non Linear) assets	
- Land improvements	10-25
- Buildings and building components	25-50
- Vehicles and equipment	7-20
- Technology, Machinery and equipment	3-25
Infrastructure (Linear) assets	
- Road bases	50
- Road paved surface and treated surface	10-50
- Sewer and water mains	10-50
- Bridges and structures	50
- Fixtures and equipment	7-12

Assets are amortized in the month following the purchase or in-service date. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

Macdonald, Meredith and Aberdeen Additional has a capitalization threshold of \$10,000 for all categories of tangible capital assets. Individual assets below the threshold are expensed.

Contributions of tangible capital assets are recorded a fair value at the date of receipt and that fair value is also recorded as revenue.

Leases are classified as a capital or operating lease. Leases that transfer substantially all the benefits and risks incidental to ownership of the property are accounted for as a capital lease. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

INVENTORIES

Inventories held for consumption are recorded at the lower of cost and net realizable value.

SURPLUS LAND

The carrying value of surplus land is based on the purchase and development costs and does not reflect any gain that may arise if the land sells for more than the carrying value.

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DECEMBER 31, 2023

DEFERRED REVENUE

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 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.

DEFERRED REVENUE

Deferred revenues represent user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed. From time to time the Township receives development charges under the authority of provincial legislation and Township by-laws.

RESERVE AND RESERVE FUNDS

Amounts that are approved by the Township Council are set aside for reserves and reserve funds for future operating and capital purposes. Transfer to/from reserves and reserve funds are an adjustment to the respective fund when approved.

GOVERNMENT GRANTS AND TRANSFERS

Government transfers include entitlements, transfers under shared cost agreements, and grants. Revenue is recognized for unconditional entitlements and grants in the period received or receivable. Revenue is recognized for any conditional entitlements and grants in the period of the associated expenditure is incurred. Revenue is recognized for transfers under shared service agreements in the period the costs are incurred.

BUDGET FIGURES

Budget figures have been reclassified for the purpose of financial statements to comply with PSAB reporting requirements. The approved operating budget and capital budgets are reflected on the Consolidated Statement of Operations and are unaudited. The budgets established for capital investment in tangible capital assets are on a projected-oriented basis, the costs of which may be carried out over one or more years and therefore, may not be comparable with current year's actual expenditures.

ADOPTION OF NEW ACCOUNTING STANDARDS

The Township adopted the following standards concurrently beginning January 1, 2023: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments and PS 3450 Financial Instruments. The adoption of the new standards is applied prospectively, and comparative information has not been restated. There was no effect of the Township financial statements on application of the new standards. A statement of remeasurement gains and losses has not been included as there are no unrealized gains or losses to report.

The Township adopted PS 3280 Asset Retirement Obligations (ARO) which establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to a tangible capital asset either in productive use or no longer in productive use. This standard was adopted on January 1, 2023 using the prospective application method.

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023

1. BUDGET RECONCILIATION

The authority of Council is required before monies can be spent by the Township. Approvals are given in the form of an annually approved budget. The budget approved by Council differs from the budget in the Consolidated Statement of Operations as a result of numerous factors and material changes due to PSAB reporting requirements.

	Revenues 2023	Expenditures 2023
Council approved budget		
Operating fund	\$ 4,432,126	\$ 4,190,599
Reserves and Reserve funds	<u>952,307</u>	<u>110,000</u>
	5,384,433	4,300,599
Capital Budget	<u>-</u>	<u>1,083,834</u>
Total Approved by Council	5,384,433	5,384,433
Less Reserves and Reserve funds	(952,307)	(110,000)
Less Tangible Capital Assets Capitalized	-	(1,083,834)
Plus: Budgeted amortization expense	<u>NIL</u>	<u>NIL</u>
Budget per Consolidated Statement of Operations	<u>\$ 4,432,126</u>	<u>\$ 4,190,599</u>

2. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

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

	2023	2022
Algoma Health Unit	\$ 61,184	\$ 64,733
Algoma District Social Services Administration Board	568,115	550,250
	<u>\$ 629,299</u>	<u>\$ 614,983</u>

The Township is contingently liable for its share of any accumulated deficits of the above boards as well as long term liabilities issued by other Municipalities for these boards.

3. TRUST FUNDS

Trust funds administrated by the Township amounting to \$140,234 (2022 - \$133,784) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations".

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023

4. PENSION AGREEMENTS

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

Each year an independent actuary determines the funding status of the (OMERS) Primary Pension Plan by comparing the actuarial value of the invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the plan was conducted on December 31, 2023. The results of this valuation disclosed total actuarial liabilities of \$136,185 million in respect of benefits accrued for service with actuarial net assets at that date of \$131,983 million indicating an actuarial deficit of \$4,202 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are the joint responsibility of the Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed to OMERS on behalf of the employees was \$70,039 and total employee and employer contributions was \$140,077 (2022 - \$62,884 and total employee and employer contributions - \$125,768) for the current year service and is included as an expenditure on the Consolidated Statement of Operations.

5. LIABILITY FOR SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Municipality's employment.

The liability for these accumulated days, to the extent that they could be taken in cash by an employee upon terminating, amounted to \$ 192,139 (2022 - \$ 170,385).

A reserve has been established to provide for this past service liability and is reported on the Consolidated Statement of Financial Position.

6. COMMITMENT

The Township has entered into a management service agreement with the Ontario Clean Water Agency (OCWA) to operate and maintain the Township's water treatment plant, distribution system and waste water system. The agreement is for a 4 year and 10 month period ending December 31, 2026, at an annual cost as follows:

January 1, 2024 to December 31, 2024	\$128,902
January 1, 2025 to December 31, 2025	\$131,480
January 1, 2026 to December 31, 2026	\$134,111

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023

7. ACCUMULATED SURPLUS

The accumulated surplus of individual fund surplus and reserve and reserve funds, \$20,002,540 (2022 - \$19,765,330) respectively are made up of the following:

	2023	2022
Surplus		
Invested in Tangible Capital Assets	\$13,992,665	\$13,670,971
Landfill liability	(115,754)	(87,607)
	<u>13,876,911</u>	<u>13,583,364</u>
For benefiting land owners related to street lighting areas	(2,081)	(2,081)
Reserves set aside for specific purposes by Council		
- for working capital	4,601,796	4,789,887
- for sick leave	41,440	41,440
- landfill	100,000	90,000
- transportation	241,503	216,503
- water and sewer	5,000	5,000
- water and sewer - capital	201,168	176,168
- cemetery	87,000	82,000
- administration	100,000	90,000
- recreation	189,273	179,273
- fire	300,000	275,000
	<u>5,867,180</u>	<u>5,945,271</u>
Reserve funds set aside for specific purpose by Council		
- fire - capital	68,391	68,391
- for sick leave	192,139	170,385
	<u>260,530</u>	<u>238,776</u>
Accumulated Surplus	<u>\$20,002,540</u>	<u>\$19,765,330</u>

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023

8. DEFERRED REVENUE:

	2023	2022
Other	\$ 75,571	\$ 75,571
Ontario Community Infrastructure Fund	129,897	70,464
Northern Ontario Resource Development Support Fund	79,359	160,158
	\$ 284,827	\$ 306,193

DEFERRED REVENUE CONTINUITY

	2023	2022
Balance, beginning of year:	\$ 306,193	\$ 11,359
Contributions	209,256	305,622
	515,449	316,981
Contributions used	230,622	10,788
Balance, end of year	\$ 284,827	\$ 306,193

9. TAXATION AND OPERATIONS OF SCHOOL BOARDS

During 2023, the Municipality collected and transferred property taxes in the amount of \$294,464 (2022 - \$291,375).

10. ASSET RETIREMENT OBLIGATION

The Township's asset retirement obligations (AROs) consist of the the following obligations:

(a) Landfill obligation:

The Township owns and operates one landfill site. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the site and for 20 years thereafter. As at December 31, 2023, the landfill had an estimated remaining useful life of 42 years. The Town recognized an obligation relating to the removal and post-removal care of the landfill. These costs were discounted using a discount rate of 3.40% per annum and an inflation rate of 2.1% per annum.

**Township of Macdonald, Meredith & Aberdeen Additional
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023

11. TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS

	Cost				Accumulated Amortization			2023	2022	
	2023 Opening Balance	Additions and Betterments	Disposals/ Transfers	2023 Closing Balance	2023 Opening Balance	2023 Amortization Expense	Accumulated Amortization on Disposals	2023 Ending Balance	Net Book Value	Net Book Value
General Capital Assets										
Land	\$ 143,114	\$ -	\$ -	\$ 143,114	\$ -	\$ -	\$ -	\$ -	\$ 143,114	\$ 143,114
Buildings	1,750,145	572,254	-	2,322,399	646,176	34,077	-	680,253	1,642,146	1,103,969
Equipment and machinery	1,358,897	-	-	1,358,897	579,725	71,126	-	650,851	708,046	779,172
Signs	42,022	-	-	42,022	8,584	2,371	-	10,955	31,067	33,438
Technology equipment	22,032	-	-	22,032	12,784	2,457	-	15,241	6,791	9,248
Vehicle and machinery	465,982	-	-	465,982	265,065	23,299	-	288,364	177,618	200,917
Furniture and fixtures	10,000	-	-	10,000	10,000	-	-	10,000	-	-
Assets Work-in-process	83,351	-	(15,800)	67,551	-	-	-	-	67,551	83,351
	3,875,543	572,254	(15,800)	4,431,997	1,522,334	133,330	-	1,655,664	2,776,333	2,353,209
Infrastructure Assets										
Land	\$ 5,001	\$ -	\$ -	\$ 5,001	\$ -	\$ -	\$ -	\$ -	\$ 5,001	\$ 5,001
Land improvements	206,622	-	-	206,622	112,015	4,023	-	116,038	90,584	94,607
Buildings	4,817,765	-	-	4,817,765	2,184,996	96,817	-	2,281,813	2,535,952	2,632,769
Equipment and machinery	3,207,825	-	-	3,207,825	2,041,023	134,354	-	2,175,377	1,032,448	1,166,802
Vehicles	473,407	54,373	-	527,780	263,036	33,676	-	296,712	231,068	210,371
Linear	13,799,333	662,360	-	14,461,693	6,799,606	381,786	-	7,181,392	7,280,301	6,999,727
Other	63,255	-	-	63,255	63,255	-	-	63,255	-	-
Assets Work-in-process	208,485	10,899	(178,406)	40,978	-	-	-	-	40,978	208,485
	22,781,693	727,632	(178,406)	23,330,919	11,463,931	650,656	-	12,114,587	11,216,332	11,317,762
	\$26,657,236	\$ 1,299,886	\$ (194,206)	\$27,762,916	\$12,986,265	\$ 783,986	\$ -	\$13,770,251	\$13,992,665	\$13,670,971

**Township of Macdonald, Meredith & Aberdeen Additional
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023

11. TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS (Continued)

	Cost				Accumulated Amortization			2022	2021	
	2022 Opening Balance	Additions and Betterments	Disposals/ Transfers	2022 Closing Balance	2022 Opening Balance	2022 Amortization Expense	Accumulated Amortization on Disposals	2022 Ending Balance	Net Book Value	Net Book Value
General Capital Assets										
Land	\$ 143,114	\$ -	\$ -	\$ 143,114	\$ -	\$ -	\$ -	\$ -	\$ 143,114	\$ 143,114
Buildings	1,520,803	229,342	-	1,750,145	615,540	30,636	-	646,176	1,103,969	905,263
Equipment and machinery	1,321,792	37,105	-	1,358,897	507,617	72,108	-	579,725	779,172	814,175
Signs	42,022	-	-	42,022	6,214	2,370	-	8,584	33,438	35,808
Technology equipment	22,032	-	-	22,032	10,326	2,458	-	12,784	9,248	11,706
Vehicle and machinery	465,982	-	-	465,982	241,766	23,299	-	265,065	200,917	224,216
Furniture and fixtures	10,000	-	-	10,000	10,000	-	-	10,000	-	-
Assets Work-in-process	8,621	83,351	(8,621)	83,351	-	-	-	-	83,351	8,621
	3,534,366	349,798	(8,621)	3,875,543	1,391,463	130,871	-	1,522,334	2,353,209	2,142,903
Infrastructure Assets										
Land	\$ 5,001	\$ -	\$ -	\$ 5,001	\$ -	\$ -	\$ -	\$ -	\$ 5,001	\$ 5,001
Land improvements	206,622	-	-	206,622	107,284	4,731	-	112,015	94,607	99,338
Buildings	4,315,954	501,811	-	4,817,765	2,085,566	99,430	-	2,184,996	2,632,769	2,230,388
Equipment and machinery	3,207,825	-	-	3,207,825	1,893,053	147,970	-	2,041,023	1,166,802	1,314,772
Vehicles	473,407	-	-	473,407	231,543	31,493	-	263,036	210,371	241,864
Linear	13,578,721	220,612	-	13,799,333	6,409,646	389,960	-	6,799,606	6,999,727	7,169,075
Other	63,255	-	-	63,255	63,255	-	-	63,255	-	-
Assets Work-in-process	448,005	153,936	(393,456)	208,485	-	-	-	-	208,485	448,005
	22,298,790	876,359	(393,456)	22,781,693	10,790,347	673,584	-	11,463,931	11,317,762	11,508,443
	\$25,833,156	\$ 1,226,157	\$ (402,077)	\$26,657,236	\$12,181,810	\$ 804,455	\$ -	\$12,986,265	\$13,670,971	\$13,651,346

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023**

12. SEGMENTED INFORMATION - SERVICE BUNDLE

The Township of Macdonald, Meredith and Aberdeen Additional is a diversified municipal government institution that provides a wide range of services to more than 1,513 citizens. 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). 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, Animal Control, Building Services, and Emergency measures. 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 processes permit applications and ensures compliance with the Ontario Building Code and with By-Laws enacted by Council.

Transportation Services

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

Environmental Services

In addition to the management of Waterworks and Sanitary systems, this area is responsible for waste disposal and recycling facilities and programs. This section is responsible for providing clean, portable water meeting all regulatory requirements and responsible for repairing breaks and leaks in the water and sewer system.

Health and Social Services

This section consists of Ambulance Services, Social Services including Housing Services, Childcare, Assistance to aged persons, Cemetery Services, and the Municipality's contribution to the Health Unit.

Recreation and Cultural Services

This section provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and other programs 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 the library and cultural services and by preserving local history and managing archived data.

Planning and Development Services

The goal of this section is to offer coordinated development services in order to maximize economic development opportunities. The Planning and Development ensures that the Township is planned and developed in accordance with the Ontario Planning Act, Provincial policies and good planning principles so that the Township is an enjoyable and beautiful community to live, work and play. This section also provides leadership in matters relating to landscape restoration, ecosystem health, biological integrity, energy conservation, air and lake water quality.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, certain government grants and other revenue are apportioned to Current Fund services based on a percentage of operations.

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2023

12. SEGMENTED INFORMATION - SERVICE BUNDLE (CONT'D)

	General Government		Protection Services		Transportation Services		Environmental Services	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues								
Taxation (net)	\$ 578,479	\$ 572,154	\$ 253,085	\$ 250,318	\$ 578,480	\$ 572,155	\$ 337,446	\$ 333,757
Government grants and transfers	394,187	279,432	73,948	78,206	256,689	266,168	87,612	89,460
User Charges & other	288,604	271,680	20,874	27,526	11,546	11,634	281,473	280,347
Other Municipalities	-	-	95,305	65,425	-	-	-	-
	1,261,270	1,123,266	443,212	421,475	846,715	849,957	706,531	703,564
Expenditures								
Salaries, wages and benefits	569,594	519,239	39,291	33,460	269,781	277,781	49,371	42,977
Materials and contracts	399,350	430,024	377,901	345,922	284,606	331,590	446,872	197,094
Amortization	8,163	8,164	37,128	38,661	349,258	352,555	301,398	321,029
(Gain) Loss on Disposal of Assets	-	-	-	-	-	-	-	-
	977,107	957,427	454,320	418,043	903,645	961,926	797,641	561,100
Annual Surplus (deficit)	\$ 284,163	\$ 165,839	\$ (11,108)	\$ 3,432	\$ (56,930)	\$ (111,969)	\$ (91,110)	\$ 142,464

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2023

12.SEGMENTED INFORMATION - SERVICE BUNDLE (CONT'D)

	Health and Social Services		Recreation and Cultural Services		Planning and Development		Total	Total
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues								
Taxation (net)	\$ 385,653	\$ 381,437	\$ 265,137	\$ 262,238	\$ 12,052	\$ 11,920	\$2,410,332	\$2,383,979
Government grants and transfers	100,128	102,240	461,813	322,237	3,129	3,195	1,377,506	1,140,938
User Charges & other	14,460	12,933	92,120	95,306	1,141	1,042	710,218	700,468
Other Municipalities	-	-	-	-	-	-	95,305	65,425
	500,241	496,610	819,070	679,781	16,322	16,157	4,593,361	4,290,810
Expenditures								
Salaries, wages and benefits	7,913	8,865	253,532	202,516	-	-	1,189,482	1,084,838
Materials and contracts	654,341	636,844	199,366	161,066	20,250	11,981	2,382,686	2,114,521
Amortization	-	-	88,038	84,047	-	-	783,985	804,456
(Gain) Loss on Disposal of Assets	-	-	-	-	-	-	-	-
	662,254	645,709	540,936	447,629	20,250	11,981	4,356,153	4,003,815
Annual Surplus (deficit)	\$ (162,013)	\$ (149,099)	\$ 278,134	232,152	\$ (3,928)	\$ 4,176	\$ 237,208	\$ 286,995



INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Macdonald, Meredith and Aberdeen Additional

Opinion

We have audited the accompanying financial statements of the **Trust Funds of the Corporation of the Township of Macdonald, Meredith and Aberdeen Additional (the "Trust Funds")**, which comprise:

- the statement of financial position as at **December 31, 2023**
- the statement of continuity for the year then ended
- 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 **Township's** Trust Funds as at **December 31, 2023**, and the statement of continuity or 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 **Township's** Trust Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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

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

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

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

Those charged with governance are responsible for overseeing the Trust Funds' financial reporting process.



Auditors' Responsibility 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 the financial statements.

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Funds internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Township's Trust Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents 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.

Suraci & Olszewski LLP

**Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Canada
August 20, 2024**

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
 MEREDITH AND ABERDEEN ADDITIONAL
 TRUST FUNDS
 STATEMENT OF FINANCIAL POSITION**

AS AT DECEMBER 31,	2023	2022
ASSETS		
CURRENT		
Cash and investments	\$ 5,874	\$ 4,424
LONG TERM		
Term deposits	137,231	132,231
	\$ 143,105	\$ 136,655
LIABILITIES		
CURRENT		
Due to township	\$ 2,871	\$ 2,871
ACCUMULATED SURPLUS	140,234	133,784
	\$ 143,105	\$ 136,655

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
 MEREDITH AND ABERDEEN ADDITIONAL
 TRUST FUNDS
 STATEMENT OF CONTINUITY**

YEAR ENDED DECEMBER 31,	2023	2022
ACCUMULATED SURPLUS, BEGINNING OF YEAR	\$ 133,784	\$ 129,094
REVENUES		
Donations and plot sales	6,450	4,690
ACCUMULATED SURPLUS, END OF YEAR	\$140,234	\$133,784

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023

BASIS OF ACCOUNTING

Capital receipts and income are reported on the cash basis of accounting.

Expenditures are reported on the cash basis of accounting with the exception of administrative expenses which are reported on the accrual basis of accounting which recognizes expenditures as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.



INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Macdonald, Meredith and Aberdeen Additional

Opinion

We have audited the accompanying financial statement of the **Cemetery Board of the Corporation of the Township of Macdonald, Meredith and Aberdeen Additional (the "Board")**, which comprise:

- the statement of operations for the year ended **December 31, 2023**
- including a summary of significant accounting policies

In our opinion, the accompanying financial statement presents fairly, in all material respects, the statement of operations of the **Board** 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 **Board** in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 Statement

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

In preparing the financial statement, management is responsible for assessing the **Board'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 **Board** or to cease operations, or has no realistic alternative but to do so.

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



Auditors' Responsibility for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement 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 the financial statement.

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 statement, 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 **Board'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 **Board's** ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents 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.

Suraci & Olszewski LLP

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Canada
August 20, 2024

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
 MEREDITH AND ABERDEEN ADDITIONAL
 CEMETERY BOARD
 STATEMENT OF OPERATIONS**

YEAR ENDED DECEMBER 31,	2023	2022
REVENUES		
Sales of plots	\$ 6,450	\$ 4,690
Deduct: transfer to care and maintenance fund	(6,450)	(4,690)
	-	-
Service fees	6,763	5,177
Municipal grant	14,618	13,975
	\$ 21,381	\$ 19,152
EXPENDITURES		
Administration	\$ 85	\$ 85
Honorariums and mileage	7,828	8,780
Maintenance and supplies	13,468	10,287
	\$ 21,381	\$ 19,152

**THE CORPORATION OF THE TOWNSHIP OF MACDONALD,
MEREDITH AND ABERDEEN ADDITIONAL
CEMETERY BOARD
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2023

BASIS OF ACCOUNTING

Sources of financing and expenditures are reported on the accrual 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 the receipt of goods or services and the creation of a legal obligation to pay.