

**Corporation of the Township of
Plummer Additional
Consolidated Financial Statements
For the year ended December 31, 2023**

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Consolidated Financial Statements
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**Corporation of the Township of Plummer Additional
Management's Responsibility for Financial Reporting**

December 31, 2023

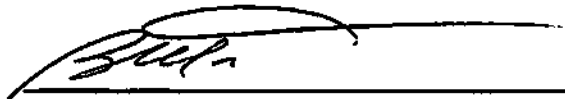
The accompanying consolidated financial statements of the Corporation of the Township of Plummer Additional are the responsibility of management and have been approved by the Mayor and Treasurer on behalf of Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The municipality maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the municipality's assets are appropriately accounted for and adequately safeguarded.

The municipal Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the ratepayers and inhabitants of the municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the municipality's consolidated financial statements.



Mayor



Treasurer



Tel: (705) 945-0990
Fax: +(705) 942-7979

www.bdo.ca

BDO Canada LLP
747 Queen Street East
P.O. Box 1109
Sault Ste. Marie, Ontario
P6A 5N7

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
Corporation of the Township of Plummer Additional

Opinion

We have audited the consolidated financial statements of Corporation of the Township of Plummer Additional (the municipality), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the municipality as at December 31, 2023, and its consolidated results of operations, its consolidated change in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the municipality 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 Consolidated Financial Statements

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

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

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

Auditor's 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.

Independent Auditor's Report (continued)

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 municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

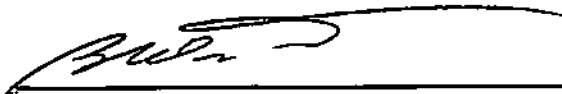
Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
September 10, 2024

**Corporation of the Township of Plummer Additional
Consolidated Statement of Financial Position**

December 31	2023	2022
Financial assets		
Cash and short term investments	\$ 1,442,877	\$ 1,897,075
Taxes receivable (Note 3)	182,075	159,607
Accounts receivable	518,362	234,111
	2,143,314	2,290,793
Liabilities		
Accounts payable and accrued liabilities	267,399	326,732
Deferred revenue	363,577	357,165
Obligatory reserve fund	84,807	91,948
Loans (Note 4)	392,819	246,380
Asset retirement obligation (Note 5)	317,472	125,373
	1,426,074	1,147,598
Net financial assets	717,240	1,143,195
Non-financial assets		
Tangible capital assets (Schedule 1)	4,759,903	2,974,621
Prepaid expenses and inventory of supplies	132,599	136,410
	4,892,502	3,111,031
Accumulated surplus (Note 6)	\$ 5,609,742	\$ 4,254,226

On behalf of the Council:


_____ Mayor


_____ Treasurer

**Corporation of the Township of Plummer Additional
Consolidated Statement of Operations**

For the year ended December 31	Budget	2023	2022
Revenue			
Taxation (Note 7)	\$ 1,502,555	\$ 1,499,594	\$ 1,429,677
Government grants - provincial	2,137,632	1,448,474	826,025
Government grants - federal	51,836	640,158	84,038
Government grants - municipal	(94)	136	4,048
User fees and service charges	79,569	91,369	104,173
Interest and penalties on taxes	30,000	30,109	27,432
Investment income and other	78,611	76,526	8,264
	<u>3,880,109</u>	<u>3,786,366</u>	<u>2,483,657</u>
Expenses			
General government	525,189	463,165	567,091
Protection services	218,259	205,087	203,435
Transportation services	1,250,295	1,180,862	1,059,319
Environmental services	114,938	160,907	115,770
Health services	219,884	216,204	236,558
Social and family services	219,666	219,666	177,032
Recreation and cultural services	66,985	90,924	67,967
Planning and development	34,000	19,408	67,301
	<u>2,649,216</u>	<u>2,556,223</u>	<u>2,494,473</u>
Annual surplus (deficit)	<u>1,230,893</u>	<u>1,230,143</u>	<u>(10,816)</u>
Accumulated surplus, beginning of year, as previously stated	4,254,226	4,254,226	4,265,042
Adoption of PS 3280, Asset Retirement Obligations (Note 2)	-	125,373	-
Accumulated surplus, beginning of year	<u>4,254,226</u>	<u>4,379,599</u>	<u>4,265,042</u>
Accumulated surplus, end of year	<u>\$ 5,485,119</u>	<u>\$ 5,609,742</u>	<u>\$ 4,254,226</u>

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

**Corporation of the Township of Plummer Additional
Consolidated Statement of Change in Net Financial Assets**

For the year ended December 31	Budget	2023	2022
Annual surplus (deficit)	\$ 1,230,893	\$ 1,230,143	\$ (10,816)
Acquisition of tangible capital assets	(2,040,300)	(2,177,928)	(739,297)
Amortization of tangible capital assets	316,419	392,645	312,229
Loss on disposal of tangible capital assets	-	1	-
Prepaid expenses and inventory of supplies	-	3,811	4,193
Impact of adoption of PS 3280, Asset Retirement Obligations (Note 2)	-	125,373	-
Net change in net financial assets (debt)	(492,988)	(425,955)	(433,691)
Net financial assets, beginning of year	1,143,195	1,143,195	1,576,886
Net financial assets, end of year	\$ 650,207	\$ 717,240	\$ 1,143,195

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

**Corporation of the Township of Plummer Additional
Consolidated Statement of Cash Flows**

For the year ended December 31	2023	2022
Operating transactions		
Annual surplus (deficit)	\$ 1,230,143	\$ (10,816)
Items not involving cash		
Amortization	392,645	312,229
Loss on disposal of tangible capital assets	1	-
	<u>1,622,789</u>	<u>301,413</u>
Changes in non-cash operating balances		
Taxes receivable	(22,468)	(54,066)
Accounts receivable	(284,251)	49,750
Prepaid expenses and inventories of supplies	3,811	4,193
Accounts payable and accrued liabilities	(59,333)	57,356
Deferred revenue	6,412	176,716
Obligatory reserve fund	(7,141)	(12,982)
Liability for future closure and post-closure landfill care costs	317,472	11,533
	<u>1,577,291</u>	<u>533,913</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(2,177,928)</u>	<u>(739,297)</u>
Financing activities		
Bank loan proceeds	225,000	250,000
Repayment of bank loan	(78,561)	(3,620)
	<u>146,439</u>	<u>246,380</u>
Net change in cash and cash equivalents	(454,198)	40,996
Cash and cash equivalents, beginning of year	1,897,075	1,856,079
Cash and equivalents, end of year	\$ 1,442,877	\$ 1,897,075

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

Corporation of the Township of Plummer Additional Consolidated Notes to Financial Statements

December 31, 2023

1. Significant accounting policies

The consolidated financial statements of the municipality have been prepared in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Basis of Consolidation These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures of all municipal organizations, committees and boards which are owned or controlled by the municipality, including the Plummer Additional Cemetery Board.

In addition, the following joint local boards/committees have been proportionately consolidated at the indicated percentages:

Central Algoma Health Centre	50%
Bruce Mines and Plummer Additional Union Public Library	50%
Tri-Neighbours Board of Management	22%

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

Revenue Recognition Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Sales of service and other revenue is recognized on an accrual basis.

Government Transfers Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Trust Funds Funds held in trust by the municipality and their related operations are not included in these consolidated financial statements. The financial activity and financial position of the trust funds are reported separately.

Cash and Cash Equivalents Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

Corporation of the Township of Plummer Additional Consolidated Notes to Financial Statements

December 31, 2023

1. Significant accounting policies (continued)

Financial Instruments Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value. The township does not hold any financial instruments measured at fair value.

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

Land improvements	10 years
Buildings	10 to 50 years
Machinery and equipment	5 to 20 years
Vehicles	8 to 10 years
Furnishings and fixtures	5 to 40 years
Infrastructure	7 to 50 years

The municipality holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits association with such property cannot be made.

Leased Assets Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the municipality, and the obligation, including interest thereon, is retired over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

Corporation of the Township of Plummer Additional Consolidated Notes to Financial Statements

December 31, 2023

1. Significant accounting policies (continued)

Asset Retirement Obligations	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.
Retirement Benefits and Other Employee Benefit Plans	The municipality provides pension benefits to specified employees through the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan. The municipality's contributions due during the period are expensed as incurred. The municipality provides other post-employment benefits. These costs accumulate over the period of service provided by employees and are determined using management's best estimates.
Collection of Taxes on Behalf of Other Taxation Authorities	The municipality collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these other entities are not reflected in these consolidated financial statements.

Corporation of the Township of Plummer Additional Consolidated Notes to Financial Statements

December 31, 2023

2. Change in accounting policy - adoption of new accounting standards

PS 3450 Financial instruments

On January 1, 2023, the municipality adopted PS 3450 Financial instruments which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. This standard is effective January 1, 2023 and is required to be adopted prospectively.

There was no transition adjustment for the adoption of this new standard.

The comparative figures have not been restated from the presentation and disclosure requirements of the previous financial reporting framework adopted by the municipality.

PS 3280 Asset retirement obligations

Effective January 1, 2023, the municipality adopted Public Sector Accounting Standard PS Section 3280, Asset Retirement Obligations. The standard requires an obligation to be recognized related to legal obligations associated with the retirement of capital assets. As a result, the presentation of the financial statements changed from the prior year. This change in accounting policy has been applied using the prospective approach.

Description of the liability

The post-closure liability of the landfill refers to the responsibilities and obligations associated with managing the landfill site after it has been closed. Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection, and maintenance.

Description of the tangible capital asset (landfill and post closure costs)

Rose Lake Landfill is managed by Tri-Neighbours Board of Management and consists of one landfill site and two transfer sites. The landfill site is located in Rose Township at 1314 East Line Road. The purpose of the landfill is to provide waste management and disposal services to three neighbouring municipalities: the Town of Bruce Mines, the Town of Thessalon, and the Township of Plummer Additional.

Post-closure costs of the landfill consist of obligations that will manage and monitor the site after closure. These costs include those mentioned above, in addition to maintenance of the monitoring wells and annual reporting. These annual cost for these two items in 2044 is estimated to be \$6,344.

Amortization method used

The cost (\$303,801) of the landfill has been amortized using the straight-line approach and has an estimated useful life of 22 years (period left until closure of the landfill). The annual amortization expense will be \$13,809. The tangible capital asset will be fully amortized as of 2044. Amortization has been recorded using the prospective approach effective January 1, 2023.

Reconciliation of the beginning and ending liability balances

The original liability balance of \$125,373 was adjusted to zero and a new Asset Retirement Obligation account was created to represent the cost of the tangible capital asset (\$303,801) and the related accretion cost of \$13,671 for an ending liability balance of \$317,472 for the Asset Retirement Obligation.

**Corporation of the Township of Plummer Additional
Consolidated Notes to Financial Statements**

December 31, 2023

3. Taxes receivable

	2023	2022
Current year levies	\$ 95,168	\$ 105,941
Previous years levies	90,076	63,970
Penalties and interest	31,831	24,696
Allowance for doubtful collection	(35,000)	(35,000)
	\$ 182,075	\$ 159,607

4. Loans

	2023	2022
Grader loan, repayable \$4,787 monthly including interest at 5.6%, maturing November 2027	\$ 201,597	\$ 246,380
RBC loan, repayable \$4,310 monthly including interest at 5.62%, maturing February 2028	191,222	-
	\$ 392,819	\$ 246,380

Interest on the above loans amounted to \$21,981 (2022 - \$1,167).

Principal payments required on long term debt for the next five years are approximately:

Year		Amount
2024	\$	89,371
2025		94,515
2026		99,956
2027		100,922
2028		8,055
	\$	392,819

**Corporation of the Township of Plummer Additional
Consolidated Notes to Financial Statements**

December 31, 2023

5. Asset retirement obligation

The municipality's financial statements include an asset retirement obligation for their portion of a solid waste landfill site. The related asset retirement costs are being amortized on a straight line basis. The liability has been estimated using a net present value technique with a discount rate of 4.50%. The estimated total undiscounted future expenditures are \$940,120, which are to be incurred over 22 years with 25 additional years for post closure monitoring. The liability is expected to be settled in 2044 with post closure costs settled in 2069.

The carrying amount of the liability is as follows:

Asset retirement obligation as at December 31, 2022	\$	-
Adoption of PS 3280 asset retirement obligations		303,801
Increase due to accretion expense		<u>13,671</u>
 Asset retirement obligation as at December 31, 2023	 \$	 <u>317,472</u>

6. Accumulated surplus

Allocation of annual deficit

	2023	2022
Deficiency in tangible capital assets	\$ 1,348,851	\$ 180,687
Reserves and reserve funds	(70,480)	(192,178)
General surplus (deficit)	(48,228)	12,208
Unfunded landfill liabilities	-	(11,533)
	<u>\$ 1,230,143</u>	<u>\$ (10,816)</u>

Accumulated surplus, end of year

	2023	2022
Equity in tangible capital assets	\$ 4,077,091	\$ 2,728,240
Reserves and reserve funds	1,520,644	1,591,124
General surplus	12,007	60,235
Unfunded landfill liabilities	-	(125,373)
	<u>\$ 5,609,742</u>	<u>\$ 4,254,226</u>

Corporation of the Township of Plummer Additional Consolidated Notes to Financial Statements

December 31, 2023

7. Taxation

	<u>2023</u>	<u>2022</u>
Residential and farmland	\$ 1,553,578	\$ 1,477,378
Commercial and industrial	115,667	123,714
Taxation from other governments	<u>14,858</u>	<u>14,334</u>
	1,684,103	1,615,426
Deduct: amounts received or receivable for school boards	<u>(184,509)</u>	<u>(185,749)</u>
	<u>\$ 1,499,594</u>	<u>\$ 1,429,677</u>

Property tax billings are prepared by the municipality based on an assessment roll prepared by the Municipal Property Assessment Corporation ("MPAC"), an agency of the Ontario government. All assessed property values in the municipality were reviewed and values established based on a common valuation date which was used by the municipality in computing the property tax billings. However, property tax revenue and taxes receivable of the municipality are subject to measurement uncertainty as ratepayers may appeal the values assessed.

8. Funds held in trust

Funds held in trust by the municipality for cemetery care and maintenance amounting to \$105,313 (2022 - \$100,273) are not included in these financial statements but are reported upon separately.

9. Employee benefits plans

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of eligible 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 municipality's contributions to OMERS equal those made by the employees. During the year, the municipality contributed \$39,950 (2022 - \$41,293) to the plan. As this is a multi-employer pension plan, these contributions are the municipality's pension benefit expense. Contribution amounts are determined by OMERS which adjusts rates to reflect actuarial requirements. Any surplus or deficit of the pension plan is not included in the municipality's financial statements.

10. Public Sector Salary Disclosure Act

For 2023, no employees were paid salaries, as defined in the Public Sector Salary Disclosure Act, 1996 of \$100,000 or more.

Corporation of the Township of Plummer Additional Consolidated Notes to Financial Statements

December 31, 2023

11. Financial instruments

The nature of the financial instrument risks to which Township may be subject to are as follows:

a) Credit risk

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

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 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 including managements on-going monitoring of outstanding accounts, collections, and allowance for doubtful accounts (as expressed in note 3). In the opinion of management, the credit risk exposure in accounts receivable is considered to be moderate.

b) Liquidity risk

Liquidity risk is the risk that the company cannot repay its obligations when they become due to its creditors. The Township is exposed to this risk from its accounts payable and accrued liabilities, and loan payable.

The Township reduces its exposure to liquidity risk by monitoring cash and investing activities and expected outflow through extensive budgeting and maintaining enough cash and investments to repay trade creditors as payables become due. In the opinion of management, the liquidity risk exposure to the Township is low.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk. The Township is only exposed to interest rate risk.

i) Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Township is exposed to this risk through its interest-bearing investments and long term debt held. The Township's GIC portfolio has fixed interest rates ranging from 3.0% to 5.0% and maturities of December 29, 2024. The Township does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management, the interest rate risk exposure to Township is low.

The Township holds long-term debt with fixed interest rates; which therefore, limits the exposure to interest rate risk for the Township.

There have not been significant changes from the previous year in the exposure to all of the above risks or policies, procedures and methods used to measure these risks.

Corporation of the Township of Plummer Additional Consolidated Notes to Financial Statements

December 31, 2023

12. Segmented information

The municipality is a diversified local government institution that provides a wide range of services to its citizens. For management reporting purposes, municipal 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.

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

General government

The administration department oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of council.

Protection

Protection is comprised of the police, fire/emergency, by-law enforcement and building inspections departments. The mandate of the police is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The fire/emergency department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. The by-law enforcement and building inspection department ensures properties are in compliance with applicable legislation, by-laws, building standards and construction codes.

Transportation

The transportation department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, winter control and street lighting.

Environmental

The environmental department consists mainly of the solid waste disposal utility. The department provides garbage collection and waste minimization programs and facilities for solid waste disposal.

Health

Through the Algoma Health Unit, the municipality contributes to public health services and education and through the Algoma District Services Administration Board, to ambulance services. In addition, this department oversees the care and maintenance of municipal cemeteries.

Social and family

Through the Algoma District Services Administration Board, the municipality contributes to social assistance payments, child care services and social housing.

Recreation and cultural

The recreation and cultural department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as parks, arena, fitness and sports programs. It provides public services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement. The department also contributes towards the information needs of the municipality's citizens through the provision of library services.

Corporation of the Township of Plummer Additional Consolidated Notes to Financial Statements

December 31, 2023

12. Segmented information (continued)

Planning

The planning department provides a diverse bundle of services. It manages development for business interests, environmental concerns, heritage matters and neighbourhoods through planning and community development activities. It facilitates economic development by providing services for the approval of all land development plans.

For each reported segment, revenues and expenses include both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see Schedule 2 - Consolidated Schedule of Segment Disclosure.

13. Budget

The Financial Plan (Budget) By-Law adopted by Council was prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards); however, some local boards/committees continued to prepare their budgets on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. Their budget figures anticipated use of reserves and/or surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues. In addition, their budgets expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan adopted by Council with adjustments as follows:

Financial plan (budget) surplus (deficit) for the year	\$ (7,027)
Add:	
Capital expenditures	2,040,300
Unfunded liabilities	2,500
Loan principal repayments	74,646
Less:	
Net inter-fund transfers from reserves	(338,107)
Amortization	(316,419)
Bank loan transactions	(225,000)
Budget surplus per statement of operations	<u>\$ 1,230,893</u>

**Corporation of the Township of Plummer Additional
Schedule 1 - Consolidated Tangible Capital Assets**

For the year ended December 31, 2023

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Infrastructure	Construction in Progress	Total
Cost, beginning of year	\$ 22,046	\$ 124,769	\$ 428,479	\$ 1,230,394	\$ 607,726	\$ 9,709,828	\$ 131,121	\$ 12,254,363
Additions	13,083	21,938	662,894	174,337	-	303,801	1,001,875	2,177,928
Disposals	(1)	-	(321,354)	(3,683)	-	-	-	(325,038)
Cost, end of year	35,128	146,707	770,019	1,401,048	607,726	10,013,629	1,132,996	14,107,253
Accumulated amortization, beginning of year	-	22,704	314,141	666,520	247,706	8,028,671	-	9,279,742
Amortization	-	11,667	348,758	(257,761)	60,773	229,208	-	392,645
Disposals	-	-	(321,354)	(3,683)	-	-	-	(325,037)
Accumulated amortization, end of year	-	34,371	341,545	405,076	308,479	8,257,879	-	9,347,350
Net carrying amount, end of year	\$ 35,128	\$ 112,336	\$ 428,474	\$ 995,972	\$ 299,247	\$ 1,755,750	\$ 1,132,996	\$ 4,759,903

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

**Corporation of the Township of Plummer Additional
Schedule 1 - Consolidated Tangible Capital Assets (continued)**

For the year ended December 31, 2022 (comparative figures)

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Infrastructure	Construction in Progress	Total
Cost, beginning of year	\$ 7,415	\$ 26,434	\$ 428,479	\$ 726,730	\$ 540,484	\$ 9,709,828	\$ 75,696	\$ 11,515,066
Additions	14,631	98,335	-	503,664	67,242	-	55,425	739,297
Cost, end of year	22,046	124,769	428,479	1,230,394	607,726	9,709,828	131,121	12,254,363
Accumulated amortization, beginning of year	-	16,503	303,814	652,203	190,856	7,804,137	-	8,967,513
Amortization	-	6,201	10,327	14,317	56,850	224,534	-	312,229
Accumulated amortization, end of year	-	22,704	314,141	666,520	247,706	8,028,671	-	9,279,742
Net carrying amount, end of year	\$ 22,046	\$ 102,065	\$ 114,338	\$ 563,874	\$ 360,020	\$ 1,681,157	\$ 131,121	\$ 2,974,621

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

**Corporation of the Township of Plummer Additional
Schedule 2 - Consolidated Segment Disclosure**

For the year ended December 31, 2023

	General Government	Protection	Trans- portation	Environ- mental	Health	Social and Family	Recreation and Cultural	Planning	Consolidated Total
Revenue									
Taxation	\$ 285,258	\$ 149,681	\$ 494,937	\$ 85,224	\$ 140,011	\$ 161,732	\$ 166,111	\$ 16,640	\$ 1,499,594
Ontario grants	476,333	54,358	711,919	30,359	49,876	57,614	62,087	5,928	1,448,474
Canada grants	5,820	-	634,338	-	-	-	-	-	640,158
Other municipalities	-	(1,089)	-	-	-	-	1,225	-	136
User fees and service charges	5,673	16,715	16,935	16,180	20,354	-	6,202	9,310	91,369
Interest and penalties on taxes	30,109	-	-	-	-	-	-	-	30,109
Investment income and other	76,526	-	-	-	-	-	-	-	76,526
	879,719	219,665	1,858,129	131,763	210,241	219,346	235,625	31,878	3,786,366
Expenses									
Salaries and benefits	258,706	96	336,422	3,898	5,682	-	26,171	6,000	636,975
Materials and supplies	98,607	752	424,007	1,249	17,086	-	12,817	-	554,518
Contracted services	77,842	204,239	34,403	141,009	20,751	-	14,588	13,408	506,240
Rents and financial	20,112	-	50,713	-	7,047	-	9,048	-	86,920
External transfers	-	-	-	-	159,270	219,666	(10)	-	378,926
Amortization	7,898	-	335,317	14,751	6,368	-	28,310	-	392,644
	463,165	205,087	1,180,862	160,907	216,204	219,666	90,924	19,408	2,556,223
Excess (deficiency) of revenue over expenses	\$ 416,554	\$ 14,578	\$ 677,267	\$ (29,144)	\$ (5,963)	\$ (320)	\$ 144,701	\$ 12,470	\$ 1,230,143

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

**Corporation of the Township of Plummer Additional
Schedule 2 - Consolidated Segment Disclosure (continued)**

For the year ended December 31, 2022 (comparative figures)

	General Government	Protection	Trans- portation	Environ- mental	Health	Social and Family	Recreation and Cultural	Planning	Consolidated Total
Revenue									
Taxation	\$ 477,182	\$ 139,392	\$ 128,220	\$ 80,760	\$ 159,832	\$ 128,625	\$ 285,258	\$ 30,408	\$ 1,429,677
Ontario grants	384,065	52,699	130,039	30,204	59,777	48,106	109,762	11,373	826,025
Canada grants	-	-	82,988	-	1,050	-	-	-	84,038
Other municipalities	-	2,823	-	-	-	-	1,225	-	4,048
User fees and service charges	4,272	20,155	11,488	18,546	20,232	-	4,325	25,155	104,173
Interest and penalties on taxes	27,432	-	-	-	-	-	-	-	27,432
Investment income	8,264	-	-	-	-	-	-	-	8,264
	901,215	215,069	352,735	129,510	240,891	176,731	400,570	66,936	2,483,657
Expenses									
Salaries and benefits	326,491	88	335,604	3,086	6,899	-	24,966	6,000	703,134
Materials and supplies	151,452	78	367,379	794	10,335	-	8,460	-	538,498
Contracted services	71,296	203,269	39,260	110,949	20,754	-	13,391	61,301	520,220
Rents and financial	17,852	-	25,198	-	6,593	-	7,640	-	57,283
External transfers	-	-	-	-	186,158	177,032	(81)	-	363,109
Amortization	-	-	291,878	941	5,819	-	13,591	-	312,229
	567,091	203,435	1,059,319	115,770	236,558	177,032	67,967	67,301	2,494,473
Excess (deficiency) of revenue over expenses	\$ 334,124	\$ 11,634	\$ (706,584)	\$ 13,740	\$ 4,333	\$ (301)	\$ 332,603	\$ (365)	\$ (10,816)

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

**Corporation of the Township of
of Plummer Additional
Trust Funds
Financial Statements
For the year ended December 31, 2023**



Tel: (705) 945-0990
Fax: +(705) 942-7979
www.bdo.ca

BDO Canada LLP
747 Queen Street East
P.O. Box 1109
Sault Ste. Marie, Ontario
P6A 5N7

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
Corporation of the Township of Plummer Additional

Opinion

We have audited the financial statements of the Trust Fund of Corporation of the Township of Plummer Additional (the Trust Fund), which comprise the statement of financial position as at December 31, 2023 and the statement of continuity for the year then ended, and 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 Fund as at December 31, 2023, and the continuity thereof for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 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 these 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 Fund'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 Trust Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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.

Independent Auditor's Report (continued)

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 Fund'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 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 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 Trust Fund 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
September 10, 2024

**Corporation of the Township of Plummer Additional
Trust Funds
Care and Maintenance Fund
Statement of Financial Position**

December 31	2023	2022
Assets		
Current		
GIC investment	\$ 105,313	\$ 100,273
Liabilities and Capital		
Capital	\$ 105,313	\$ 100,273

Statement of Continuity

For the year ended December 31	2023	2022
Balance, beginning of year	\$ 100,273	\$ 94,713
Revenue		
Sale of plots	2,440	3,460
Monument surcharge	2,600	2,100
	5,040	5,560
Expenditures	-	-
Balance, end of year	\$ 105,313	\$ 100,273

Note to Financial Statements

Basis of Accounting

The financial statements of the Trust Fund of the Corporation of the Township of Plummer Additional are prepared in accordance with Canadian public sector accounting standards.