

**The Corporation of the Township  
of Sables-Spanish Rivers**

**Financial Report**

**December 31, 2024**

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## **Management's Responsibility for the Consolidated Financial Statements**

The accompanying consolidated financial statements of The Corporation of the Township of Sables-Spanish Rivers (the "Township") are the responsibility of the Township's management and have been prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada as described in Note 1 to the financial statements.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Township's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management. Council meets with management and the external auditor to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Baker Tilly SNT LLP, independent external auditor appointed by the Township. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.

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Clerk Administrator  
May 28, 2025

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Treasurer  
May 28, 2025

## **Independent Auditor's Report**

**To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the Township of Sables-Spanish Rivers**

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### **Opinion**

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the Township of Sables-Spanish Rivers as at December 31, 2024, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### **Basis for Opinion**

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

### **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.

ACCOUNTING • TAX • ADVISORY

*Baker Tilly SNT LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.*

COMPTABILITÉ • FISCALITÉ • SERVICES-CONSEILS

*Baker Tilly SNT s.r.l. est membre de la Coopérative Baker Tilly Canada, qui fait partie du réseau mondial Baker Tilly International Limited. Les membres de la Coopérative Baker Tilly Canada et de Baker Tilly International Limited sont tous des entités juridiques distinctes et indépendantes.*

## **Independent Auditor's Report (Continued)**

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements (Continued)**

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## **Independent Auditor's Report (Continued)**

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)**

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

*Baker Tilly SNT LLP*

Sudbury, Ontario  
May 28, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

**The Corporation of the Township of Sables-Spanish Rivers**  
**Consolidated Statement of Financial Position**  
**December 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>Financial Assets</b>		
Cash	\$ 6,472,451	\$ 5,416,764
Taxes receivable (note 4)	198,987	235,630
Accounts receivable - Federal	548,374	600,399
- Provincial	30,795	597,229
- Other	191,850	157,919
Term deposits, fixed interest from 1.20% to 5.39% maturing between March 2025 and December 2029	2,800,763	2,800,763
Tax sale properties	108,813	29,515
	<u>10,352,033</u>	<u>9,838,219</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 5)	821,253	1,060,428
Temporary loan	2,162	2,256
Deferred revenues (note 6)	227,127	201,980
Deferred revenue - obligatory reserve funds (note 7)	15,850	110,789
Municipal debt (note 8)	1,192,689	232,147
Asset retirement obligations (note 9)	3,501,831	3,975,487
	<u>5,760,912</u>	<u>5,583,087</u>
<b>Net Financial Assets</b>	<u>4,591,121</u>	<u>4,255,132</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (note 10)	22,634,342	22,385,229
Inventory	44,689	68,889
Prepaid expenses	4,275	3,519
	<u>22,683,306</u>	<u>22,457,637</u>
<b>Accumulated Surplus (note 11)</b>	<u>\$ 27,274,427</u>	<u>\$ 26,712,769</u>
Commitments (note 12)		

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

**The Corporation of the Township of Sables-Spanish Rivers**  
**Consolidated Statement of Operations and Accumulated Surplus**  
**For The Year Ended December 31, 2024**

	<b>2024</b> <b>Budget</b> (Unaudited)	<b>2024</b> <b>Actual</b>	<b>2023</b> <b>Actual</b>
<b>Revenues</b>			
Net taxation	\$ 5,073,961	\$ 5,071,677	\$ 4,860,574
Government transfers	2,240,114	2,279,885	2,079,238
User charges	663,630	790,756	738,221
Other	280,056	599,941	546,200
	<u>8,257,761</u>	<u>8,742,259</u>	<u>8,224,233</u>
<b>Expenses</b>			
General government	868,802	862,559	721,884
Protection services	1,299,637	1,438,271	1,356,899
Transportation services	1,762,513	2,645,137	2,367,701
Environmental services	805,442	1,295,460	1,340,773
Health services	1,150,479	1,156,020	908,097
Social and family services	268,272	262,488	252,653
Recreation and cultural services	835,168	925,838	843,744
Planning and development	159,548	132,929	107,979
	<u>7,149,861</u>	<u>8,718,702</u>	<u>7,899,730</u>
<b>Annual Surplus Before Other</b>	<b>1,107,900</b>	<b>23,557</b>	<b>324,503</b>
<b>Other</b>			
Government transfers related to capital	<u>463,300</u>	<u>538,101</u>	<u>1,636,252</u>
<b>Annual Surplus</b>	<b>1,571,200</b>	<b>561,658</b>	<b>1,960,755</b>
<b>Accumulated Surplus, Beginning of Year</b>	<u><b>26,712,769</b></u>	<u><b>26,712,769</b></u>	<u><b>24,752,014</b></u>
<b>Accumulated Surplus, End of Year</b>	<u><u><b>\$ 28,283,969</b></u></u>	<u><u><b>\$ 27,274,427</b></u></u>	<u><u><b>\$ 26,712,769</b></u></u>

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



**The Corporation of the Township of Sables-Spanish Rivers**  
**Consolidated Statement of Cash Flows**  
**For The Year Ended December 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>Net Inflow (Outflow) of Cash Related to the following Activities:</b>		
<b>Operating</b>		
Annual Surplus	<u>\$ 561,658</u>	<u>\$ 1,960,755</u>
Non-cash charges to operations:		
Amortization of tangible capital assets	1,588,548	1,531,857
Gain on revaluation of asset retirement obligations	(588,153)	-
Loss on revaluation of tangible capital assets	581,194	-
Loss on disposition of tangible capital assets	22,278	21,372
Accretion expense	<u>138,578</u>	<u>109,762</u>
	<u>1,742,445</u>	<u>1,662,991</u>
Change in non-cash working capital balances related to operations	<u>232,175</u>	<u>(447,017)</u>
Cash provided by operating transactions	<u>2,536,278</u>	<u>3,176,729</u>
<b>Investing</b>		
Acquisition of term deposits	(800,000)	(600,000)
Redemption of term deposits	<u>800,000</u>	<u>600,000</u>
Cash applied to investing transactions	<u>-</u>	<u>-</u>
<b>Capital</b>		
Acquisition of tangible capital assets	(2,463,474)	(3,299,378)
Proceeds on disposal of tangible capital assets	<u>22,341</u>	<u>-</u>
Cash applied to capital transactions	<u>(2,441,133)</u>	<u>(3,299,378)</u>
<b>Financing</b>		
Municipal debt issued	1,113,639	-
Municipal debt repaid	<u>(153,097)</u>	<u>(135,969)</u>
Cash applied to financing transactions	<u>960,542</u>	<u>(135,969)</u>
<b>Increase (Decrease) in Cash</b>	<u>1,055,687</u>	<u>(258,618)</u>
<b>Cash, Beginning of Year</b>	<u>5,416,764</u>	<u>5,675,382</u>
<b>Cash, End of Year</b>	<u><u>\$ 6,472,451</u></u>	<u><u>\$ 5,416,764</u></u>

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

**The Corporation of the Township of Sables-Spanish Rivers**  
**Consolidated Statement of Change in Net Financial Assets**  
**For The Year Ended December 31, 2024**

	<u>2024 Budget</u> (Unaudited)	<u>2024 Actual</u>	<u>2023 Actual</u>
<b>Annual Surplus</b>	<b>\$ 1,571,200</b>	<b>\$ 561,658</b>	<b>\$ 1,960,755</b>
Amortization of tangible capital assets	-	<b>1,588,548</b>	1,531,857
Proceeds on disposal of tangible capital assets	-	<b>22,341</b>	-
Change in inventory and prepaid expenses	-	<b>23,444</b>	7,501
Loss on revaluation of tangible capital assets	-	<b>581,194</b>	-
Loss on disposition of tangible capital assets	-	<b>22,278</b>	21,372
Acquisition of tangible capital assets	<u><b>(2,646,263)</b></u>	<u><b>(2,463,474)</b></u>	<u><b>(3,299,378)</b></u>
<b>Increase (Decrease) in Net Financial Assets</b>	<b>(1,075,063)</b>	<b>335,989</b>	222,107
<b>Net Financial Assets, Beginning of Year</b>	<u><b>4,255,132</b></u>	<u><b>4,255,132</b></u>	<u><b>4,033,025</b></u>
<b>Net Financial Assets, End of Year</b>	<u><u><b>\$ 3,180,069</b></u></u>	<u><u><b>\$ 4,591,121</b></u></u>	<u><u><b>\$ 4,255,132</b></u></u>

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

# **The Corporation of the Township of Sables-Spanish Rivers**

## **Notes to the Consolidated Financial Statements**

**December 31, 2024**

### **1. Significant Accounting Policies**

The consolidated financial statements of The Corporation of the Township of Sables-Spanish Rivers ("the Township") are the representations of management prepared in accordance with accounting policies recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic consolidated financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

#### **(a) Basis of Consolidation**

- (i) These consolidated financial statements reflect the financial assets, liabilities, non-financial assets, accumulated surplus, revenues and expenses of the Township and include the activities of all committees of Council and the following local boards which are under control of Council:

Sables-Spanish Rivers Public Library Board  
Lee Valley Cemetery Board  
River Road Cemetery Board  
Zion Lutheran Cemetery Board  
Walford Catholic Cemetery Board  
Walford Protestant Cemetery Board  
Webbwood Protestant Cemetery Board  
Immaculate Conception Cemetery Board  
Grandview Cemetery Board  
St. Lawrence Cemetery Board

All inter-fund assets and liabilities and revenues and expenses have been eliminated.

- (ii) Non-Consolidated Entities

The following joint local boards are not consolidated:

Sudbury and District Health Unit  
Manitoulin - Sudbury District Services Board

- (iii) Accounting for School Board Transactions

The Township is required to collect and remit education support levies in respect of residential and other properties on behalf of the area school boards. The Township has no jurisdiction or control over the school boards operations. Therefore, taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the accumulated surplus of these consolidated financial statements.

# **The Corporation of the Township of Sables-Spanish Rivers**

## **Notes to the Consolidated Financial Statements**

### **December 31, 2024**

#### **1. Significant Accounting Policies (Continued)**

##### **(a) Basis of Consolidation (Continued)**

###### **(iv) Trust Funds**

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

##### **(b) Basis of Accounting**

###### **(i) Accrual Basis**

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

###### **(ii) Cash and Cash Equivalents**

The Township's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with maturities of three months from the date of acquisition or less or those that can be readily convertible to cash.

###### **(iii) Reserves**

Certain amounts, as approved by municipal council, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective fund when approved.

###### **(iv) Deferred Revenues**

Deferred revenues represent government transfers, contributions and other amounts that are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.

###### **(v) Deferred Revenue - Obligatory Reserve Funds**

The Township receives certain sub-divider contributions and other revenues under the authority of legislation. These funds, by their nature, are restricted in their use and, until applied to specific expenditures, are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.

# **The Corporation of the Township of Sables-Spanish Rivers**

## **Notes to the Consolidated Financial Statements**

### **December 31, 2024**

#### **1. Significant Accounting Policies (Continued)**

##### **(b) Basis of Accounting (Continued)**

###### **(vi) Employee Future Benefits**

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS) which is a multi-employer contributory defined benefit program with contributions expensed as incurred.

###### **(vii) Segmented Information**

The Township reports its segmented information on functional areas and programs in its consolidated financial statements similar to reporting reflected as part of the Ontario Financial Information Return. These functional areas represent segments for the Township:

###### *General Government*

General government is comprised of Council, administration, and Ontario Property Assessment.

###### *Protection Services*

Protection is comprised of police, fire and other protective services.

###### *Transportation Services*

Transportation services are responsible for road maintenance, culverts, bridges, winter control, traffic, signs signals and streetlights.

###### *Environmental Services*

Environmental services include water supply and distribution, wastewater treatment, waste and recycling services.

###### *Health Services*

Health services include public health services and cemetery services.

###### *Social and Family Services*

Social and family services include social assistance, long-term care, paramedic services, social housing and child care services.

# The Corporation of the Township of Sables-Spanish Rivers

## Notes to the Consolidated Financial Statements

### December 31, 2024

#### 1. Significant Accounting Policies (Continued)

##### (b) Basis of Accounting (Continued)

###### (vii) Segmented Information (Continued)

###### *Recreation and Cultural Services*

Recreation and cultural services include parks and recreation, recreation facilities, culture and libraries.

###### *Planning and Development*

Planning and development manages development for residential and business interests as well as services related to the Township's economic development programs.

###### (viii) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Consolidated Change in Net Financial Assets for the year.

###### (a) Tangible Capital Assets

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

Land improvements	10 to 25 years
Buildings	15 to 60 years
Roads and bridges	15 to 80 years
Water and sewer	5 to 80 years
Automotive equipment	5 to 25 years
Computer equipment, software, and furniture	5 to 20 years
Landfill	landfill capacity

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

Landfill sites are amortized as its capacity is used on a volumetric basis.

# **The Corporation of the Township of Sables-Spanish Rivers**

## **Notes to the Consolidated Financial Statements**

### **December 31, 2024**

#### **1. Significant Accounting Policies (Continued)**

##### **(b) Basis of Accounting (Continued)**

##### **(viii) Non-Financial Assets (Continued)**

###### **(b) Inventory**

Inventory of supplies held for consumption are recorded at the lower of cost and replacement cost, which represents the best available measure of net realizable value.

###### **(c) Prepaid Expenses**

Prepaid expenses represent amounts paid in advance for a good or service not yet received. The expense is recognized once the goods have been received or the services have been performed.

##### **(ix) Taxation and Other Revenues**

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC") and in accordance with the provisions of the Municipal Act, 2001. Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Township is required to collect on behalf of the Province of Ontario in respect of education taxes.

A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Township determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued.

Assessment and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known or based on management's best estimates.

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

Other income is recognized as revenue when earned. Fines and fees are recognized as revenue when collected.

# **The Corporation of the Township of Sables-Spanish Rivers**

## **Notes to the Consolidated Financial Statements**

### **December 31, 2024**

#### **1. Significant Accounting Policies (Continued)**

##### **(b) Basis of Accounting (Continued)**

###### **(x) Government Transfers**

Government transfers are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that stipulations associated with the transfer give rise to a liability. If a liability is created, the satisfaction of the transfer stipulations by the recipient government determines the timing of the recognition of the transfer as revenue.

##### **(c) Financial instruments**

Financial instruments are classified at either fair value or amortized cost.

Financial instruments classified at amortized cost include cash, accounts receivable, taxes receivable, term deposits, accounts payable and accrued liabilities, temporary loan and municipal debt. They are initially recorded at their fair value and subsequently carried at amortized cost using the effective interest rate method, less impairment. Transaction costs are added to the carrying value of the instrument.

#### **2. Measurement Uncertainty**

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment.

- The amounts recorded for asset retirement obligations are based on the estimated amount required to ultimately remediate the liability and depend on estimates of usage, remaining life, inflation rates and discount rates.
- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.
- The amount recorded for the allowance for doubtful taxes receivable are based on estimates of recoverability for taxes in arrears.

By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.



# The Corporation of the Township of Sables-Spanish Rivers

## Notes to the Consolidated Financial Statements

December 31, 2024

### 3. Change in Accounting Policies

On January 1, 2024, the Township adopted the following standards on a prospective basis: PS 3400 - *Revenue*, PSG-8 - *Purchased Intangibles* and PS 3160 - *Public Private Partnerships* (P3s). The adoption of these standards had no impact on the opening balances.

Section PS 3400 - *Revenue*, establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions.

Guideline PSG-8 - *Purchased Intangibles*, provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

Section PS 3160 - *Public Private Partnerships* (P3s), provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

### 4. Taxes Receivable

	<u>2024</u>	<u>2023</u>
Current taxes	\$ 162,627	\$ 129,862
Tax arrears	63,539	115,678
Interest and penalties	21,740	33,182
Allowance for doubtful taxes receivable	<u>(48,919)</u>	<u>(43,092)</u>
	<u><u>\$ 198,987</u></u>	<u><u>\$ 235,630</u></u>

### 5. Accounts Payable and Accrued Liabilities

	<u>2024</u>	<u>2023</u>
Trade payables and accrued liabilities	\$ 311,785	\$ 693,894
Federal	33,849	-
Province of Ontario	222,504	117,249
Other	<u>253,115</u>	<u>249,285</u>
	<u><u>\$ 821,253</u></u>	<u><u>\$ 1,060,428</u></u>

**The Corporation of the Township of Sables-Spanish Rivers**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2024**

**6. Deferred Revenues**

	<u>2024</u>	<u>2023</u>
Investing in Canada Infrastructure Program	\$ 70,896	\$ 89,100
Ontario Community Infrastructure Fund	104,739	76,511
Other	<u>51,492</u>	<u>36,369</u>
	<u>\$ 227,127</u>	<u>\$ 201,980</u>

**7. Deferred Revenue - Obligatory Reserve Funds**

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balance in the obligatory reserve funds of the Township are summarized below:

	<u>Balance as at December 31, 2023</u>	<u>Amounts received during the year</u>	<u>Recognized as revenues during the year</u>	<u>Balance as at December 31, 2024</u>
Canada Community	\$ 95,160	\$ 225,690	\$ 305,000	\$ 15,850
- Building Fund				
Safe Restart	<u>15,629</u>	<u>-</u>	<u>15,629</u>	<u>-</u>
<b>Total Deferred Revenue</b>				
<b>- Obligatory Reserve Funds</b>	<u>\$ 110,789</u>	<u>\$ 225,690</u>	<u>\$ 320,629</u>	<u>\$ 15,850</u>

**8. Municipal Debt**

	<u>2024</u>	<u>2023</u>
Royal bank term loan, payable in monthly instalments of \$5,104 including interest at a rate of 2.98%, unsecured and maturing December 2026	\$ 116,935	\$ 173,757
Debenture loan, repayable in monthly instalments of \$5,551 including interest at the fixed rate of 4.80%, maturing May 2039	692,086	-

**The Corporation of the Township of Sables-Spanish Rivers**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2024**

**8. Municipal Debt (Continued)**

	<u>2024</u>	<u>2023</u>
Debenture loan, repayable in monthly instalments of \$4,196 including interest at the fixed rate of 4.63%, maturing May 2034	<b>383,668</b>	-
Royal bank term loan, payable in monthly instalments of \$7,030 including interest at a rate of 3.47%, unsecured and matured April 2024	<u>-</u>	<u>58,390</u>
	<u><b>\$ 1,192,689</b></u>	<u><b>\$ 232,147</b></u>

Principal instalments required to be paid over the next five years are as follows:

2025	\$ 125,981
2026	129,035
2027	74,070
2028	77,641
2029	81,382
Thereafter	<u>704,580</u>
	<u><b>\$ 1,192,689</b></u>

**9. Asset Retirement Obligations**

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	<b>\$ 3,975,487</b>	\$ 3,889,806
Accretion expense	<b>138,578</b>	109,762
Revaluation	<b>(588,153)</b>	-
Post-closure payments	<u><b>(24,081)</b></u>	<u>(24,081)</u>
<b>Balance, end of year</b>	<u><b>\$ 3,501,831</b></u>	<u><b>\$ 3,975,487</b></u>

The asset retirement obligation at year-end is as follows:

	<u>2024</u>	<u>2023</u>
Landfill	<b>\$ 3,148,936</b>	\$ 3,622,592
Asbestos removal	<b>48,239</b>	48,239
Septic systems and drinking water wells	<u><b>304,656</b></u>	<u>304,656</u>
<b>Balance, end of year</b>	<u><b>\$ 3,501,831</b></u>	<u><b>\$ 3,975,487</b></u>

# The Corporation of the Township of Sables-Spanish Rivers

## Notes to the Consolidated Financial Statements

December 31, 2024

### 9. Asset Retirement Obligations (Continued)

#### Landfill

Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. The main components of the landfill closure plan are final capping using selected specific layers of earthen materials based on an engineered cap design and implementation of a drainage management plan. The post-closure maintenance requirements will involve cap maintenance, installation of monitoring wells, groundwater monitoring, inspections and annual reports.

The reported liability is based on estimates and assumptions with respect to events extending over the estimated remaining useful life using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable. The most recent waste capacity study for the landfill site was performed in a report dated April 2, 2024.

<u>2024</u>	<u>Estimated Remaining Capacity</u>	<u>Estimated Remaining Life / Post- closure</u>	<u>Post-Closure Care Activities</u>	<u>Inflation Rate</u>	<u>Discount Rate</u>
<b>Open sites</b>					
Tennyson	20% (15,800 m3)	5 years	25 years	3.58%	4.57%
May Township	74% ( 354 m3)	65 years	25 years	3.58%	4.57%
<b>Closed sites</b>					
Webbwood		7 years	7 years	3.58%	4.57%
Chutes		1 year	1 year	3.58%	4.57%
<u>2023</u>	<u>Estimated Remaining Capacity</u>	<u>Estimated Remaining Life / Post- closure</u>	<u>Post-Closure Care Activities</u>	<u>Inflation Rate</u>	<u>Discount Rate</u>
<b>Open sites</b>					
Tennyson	25% (20,000 m3)	6 years	25 years	3.58%	3.10%
May Township	75% ( 360 m3)	66 years	25 years	3.58%	3.10%
<b>Closed sites</b>					
Webbwood		8 years	8 years	3.58%	3.10%
Chutes		2 years	2 years	3.58%	3.10%

**The Corporation of the Township of Sables-Spanish Rivers**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2024**

**9. Asset Retirement Obligations (Continued)**

**Asbestos removal**

The Township owns buildings which contain asbestos, and therefore, the Township is legally required to perform abatement activities upon renovation or demolition of these assets. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The timing of post-closure care cannot yet be reasonably estimated, so no discounting has been applied to the liability.

**Septic systems and drinking water wells**

The Township owns septic systems and drinking water wells which represents an environmental hazard upon removal and decommissioning and there are legal obligations regarding how they must be removed. The timing of post-closure care cannot yet be reasonably estimated, so no discounting has been applied to the liability.

**The Corporation of the Township of Sables-Spanish Rivers**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2024**

**10. Tangible Capital Assets**

	Cost					Accumulated Amortization					Net Book Value of Tangible Capital Assets	
	Balance, beginning of year	Additions	Disposals	Transfers and adjustments	Balance, end of year	Balance, beginning of year	Amortization	Disposals	Transfers	Balance, end of year	December 31, 2024	December 31, 2023
Land	\$ 670,450	\$ -	\$ -	\$ -	\$ 670,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 670,450	\$ 670,450
Land improvements	529,435	-	-	-	529,435	189,643	13,949	-	12,185	215,777	313,658	339,792
Buildings	4,400,560	102,744	(3,797)	-	4,499,507	2,554,287	121,519	(3,797)	(12,185)	2,659,824	1,839,683	1,846,273
Roads and bridges	22,702,093	411,441	-	44,425	23,157,959	11,980,717	696,007	-	-	12,676,724	10,481,235	10,721,376
Computer equipment and software	81,369	-	(8,297)	-	73,072	63,589	3,584	(8,297)	-	58,876	14,196	17,780
Automotive equipment	4,286,475	1,381,788	(488,041)	-	5,180,222	2,150,886	287,867	(448,548)	-	1,990,205	3,190,017	2,135,589
Water and sewer	9,624,498	450,169	(12,085)	17,592	10,080,174	5,294,687	163,198	(6,959)	-	5,450,926	4,629,248	4,329,811
Landfill	3,654,207	-	-	(581,194)	3,073,013	1,488,891	302,424	-	-	1,791,315	1,281,698	2,165,316
Assets under construction	158,842	117,332	-	(62,017)	214,157	-	-	-	-	-	214,157	158,842
	<u>\$ 46,107,929</u>	<u>\$ 2,463,474</u>	<u>\$ (512,220)</u>	<u>\$ (581,194)</u>	<u>\$ 47,477,989</u>	<u>\$ 23,722,700</u>	<u>\$ 1,588,548</u>	<u>\$ (467,601)</u>	<u>\$ -</u>	<u>\$ 24,843,647</u>	<u>\$ 22,634,342</u>	<u>\$ 22,385,229</u>

**The Corporation of the Township of Sables-Spanish Rivers**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2024**

**11. Accumulated Surplus**

	<u>2024</u>	<u>2023</u>
<b>Surplus</b>		
Invested in tangible capital assets	\$ 22,634,342	\$ 22,385,229
Sables-Spanish Rivers Public Library Board	50,803	36,931
General surplus	3,814,106	4,488,812
Unfunded		
Municipal debt	(1,192,689)	(232,147)
Asset retirement obligations	<u>(3,501,831)</u>	<u>(3,975,487)</u>
	<u>21,804,731</u>	<u>22,703,338</u>
 <b>Reserves set aside for specific purposes</b>		
Working capital	1,405,921	-
General government	34,856	55,150
Fire services	161,231	219,335
Recreation and cultural services	456,381	535,768
Environmental services	1,297,251	1,657,382
Health services	4,083	4,083
Stabilization Reserve	1,169,052	612,146
Health and social services	142,198	138,844
Planning and development	64,407	52,407
Landfill closure and post-closure	<u>734,316</u>	<u>734,316</u>
Total Reserves	<u>5,469,696</u>	<u>4,009,431</u>
	 <u><u>\$ 27,274,427</u></u>	 <u><u>\$ 26,712,769</u></u>

**12. Commitments**

During 2024, the Township entered into agreements committing to pay \$121,225 for engineering services for design and remediation of various bridges and a watermain. As at December 31, 2024, the value of instalments remaining is \$61,753.

Under the terms of an operating lease for contractual services related to water and wastewater facilities expiring in December 2027, the Township is committed to make minimum payments as follows:

2025	\$ 280,885
2026	286,503
2027	<u>292,233</u>
	 <u><u>\$ 859,621</u></u>

# The Corporation of the Township of Sables-Spanish Rivers

## Notes to the Consolidated Financial Statements

December 31, 2024

### 12. Commitments (Continued)

Under the terms of various maintenance agreements for the provision of police services, maintenance of various equipment, waste management services, and transportation services sharing, expiring between July 2025 and December 2029, the Township is committed to make minimum payments as follows:

2025	\$ 1,069,908
2026	287,122
2027	287,122
2028	287,122
2029	<u>121,542</u>
	<u>\$ 2,052,816</u>

### 13. Pension Agreements

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer pension plan, on behalf of all permanent, full-time and qualifying part-time 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 Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to more than 640,000 active and retired members and approximately 1,000 employers.

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. On December 31, 2024, the estimated accrued pension obligation for all members of the Plan was \$140,766 million (2023 - \$134,574 million). The Plan had an actuarial value of net assets at that date of \$137,853 million (2023 - \$130,372 million) indicating an actuarial deficit of \$2,913 million (2023 - \$4,202 million). Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of 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 by the Township to OMERS in 2024 was \$133,632 (2023 - \$96,795) for current services and is included as an expense on the Consolidated Statement of Operations and Accumulated Surplus.

On January 1, 2024, the yearly maximum pension earnings increased to \$68,500 from \$66,600 in 2023. The contributions are calculated at a rate of 9.0% (2023 - 9.0%) for the amount up to the yearly maximum pension earnings stated above and at a rate of 14.6% (2023 - 14.6%) for the amount above the yearly maximum pension earnings.



# **The Corporation of the Township of Sables-Spanish Rivers**

## **Notes to the Consolidated Financial Statements**

### **December 31, 2024**

#### **14. Trust Funds**

Trust funds administered by the Township amount to \$255,539 (2023 - \$251,802) and have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statements of operations and changes in accumulated surplus.

#### **15. Legal Actions**

The Township is involved in certain legal matters and litigations, the outcomes of which are not presently determinable. The loss, if any, from these legal matters and litigations will be accounted for in the periods in which they are resolved.

Council is of the opinion that it is unlikely that any liability, to the extent not provided by insurance or otherwise, would be material in relation to the Township's consolidated financial position.

#### **16. Financial Instruments**

Risks arising from financial instruments and risk management

The Township is exposed to a variety of financial risks including credit risk, liquidity risk and market risk.

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

Credit risk

Credit risk is the risk of losses resulting from a counterparty's failure to honour its contractual obligations. The Township is exposed to credit risk to the extent that accounts receivable are not collected in a timely manner. The Township's financial assets consisting of cash, accounts receivable, taxes receivable and term deposits are subject to credit risk. The carrying amounts of financial assets on the consolidated statement of financial position represent the maximum credit risk of the Township at the date of the consolidated statement of financial position. The Township does not believe it is subject to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Township will not be able to meet its financial obligations as they become due. The Township's financial liabilities include accounts payable and accrued liabilities, temporary loan and municipal debt. The Township maintains sufficient resources to meet its obligations. The Township does not believe it is subject to significant liquidity risk.

# **The Corporation of the Township of Sables-Spanish Rivers**

## **Notes to the Consolidated Financial Statements**

### **December 31, 2024**

#### **16. Financial Instruments (Continued)**

##### Market risk

Market risk is the risk of changes in the fair value of financial instruments resulting from fluctuations in the market. The Township is exposed to currency risk, interest risk and price risk to the extent that the fair value of a financial instrument will fluctuate as a result of market factors. The Township's financial instruments consisting of cash, accounts receivable, taxes receivable, term deposits, accounts payable and accrued liabilities, temporary loan and municipal debt are subject to market risk. The Township does not believe it is subject to significant market risk.

#### **17. Budget Figures**

Budget figures have been provided for comparison purposes and have been derived from the budget approved by Council. The budget approved by Council is developed in accordance with the provincially mandated funding model for municipalities and is used to manage program spending within the guidelines of the funding model. Given differences between the funding model and generally accepted accounting principles for local governments established by the Public Sector Accounting Board, the budget figures presented have been adjusted to conform with the basis of accounting that is used to prepare the consolidated financial statements. The budget figures are unaudited.

The chart below reconciles the approved budget with the budget figures as presented in these consolidated financial statements.

Budgeted annual surplus approved by Council	\$ -
Add: Budgeted reserve transfers	(515,408)
Less: Budgeted municipal debt issued	(711,255)
Add: Budgeted municipal debt repayments	151,600
Add: Budgeted tangible capital asset additions	<u>2,646,263</u>
Annual Surplus on Consolidated Statement of Operations and Accumulated Surplus	<u><u>\$ 1,571,200</u></u>

#### **18. Comparative Figures**

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.

**The Corporation of the Township of Sables-Spanish Rivers**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2024**

**19. Segmented Information**

	<u>General Government</u>	<u>Protection services</u>	<u>Transportation services</u>	<u>Environmental services</u>	<u>Health services</u>	<u>Social and family services</u>	<u>Recreation and culture services</u>	<u>Planning and development</u>	<u>Other</u>	<u>2024 Total</u>
<b>Revenues</b>										
Net taxation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,071,677</u>	<u>\$ 5,071,677</u>
Government transfers										
Federal	-	-	305,000	-	18,204	2,550	7,397	-	-	333,151
Provincial	<u>15,629</u>	<u>-</u>	<u>214,897</u>	<u>72,933</u>	<u>401,158</u>	<u>-</u>	<u>18,858</u>	<u>3,060</u>	<u>1,758,300</u>	<u>2,484,835</u>
	<u>15,629</u>	<u>-</u>	<u>519,897</u>	<u>72,933</u>	<u>419,362</u>	<u>2,550</u>	<u>26,255</u>	<u>3,060</u>	<u>1,758,300</u>	<u>2,817,986</u>
User charges	<u>3,763</u>	<u>59,023</u>	<u>12,978</u>	<u>529,266</u>	<u>25,815</u>	<u>-</u>	<u>134,337</u>	<u>25,574</u>	<u>-</u>	<u>790,756</u>
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>599,941</u>	<u>599,941</u>
	<u>19,392</u>	<u>59,023</u>	<u>532,875</u>	<u>602,199</u>	<u>445,177</u>	<u>2,550</u>	<u>160,592</u>	<u>28,634</u>	<u>7,429,918</u>	<u>9,280,360</u>
<b>Expenses</b>										
Salaries, wages and benefits	502,038	257,147	713,055	30,275	351,124	-	309,117	34,213	-	2,196,969
Long-term debt charges (interest)	-	19,686	15,694	-	-	-	-	-	-	35,380
Materials, contracted services, rents and financial expenses	348,002	1,025,271	1,049,623	822,583	791,550	262,488	499,572	98,716	-	4,897,805
Amortization	<u>12,519</u>	<u>136,167</u>	<u>866,765</u>	<u>442,602</u>	<u>13,346</u>	<u>-</u>	<u>117,149</u>	<u>-</u>	<u>-</u>	<u>1,588,548</u>
	<u>862,559</u>	<u>1,438,271</u>	<u>2,645,137</u>	<u>1,295,460</u>	<u>1,156,020</u>	<u>262,488</u>	<u>925,838</u>	<u>132,929</u>	<u>-</u>	<u>8,718,702</u>
<b>Annual Surplus (Deficit)</b>	<u><u>\$ (843,167)</u></u>	<u><u>\$ (1,379,248)</u></u>	<u><u>\$ (2,112,262)</u></u>	<u><u>\$ (693,261)</u></u>	<u><u>\$ (710,843)</u></u>	<u><u>\$ (259,938)</u></u>	<u><u>\$ (765,246)</u></u>	<u><u>\$ (104,295)</u></u>	<u><u>\$ 7,429,918</u></u>	<u><u>\$ 561,658</u></u>

**The Corporation of the Township of Sables-Spanish Rivers**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2024**

**19. Segmented Information (Continued)**

	<u>General Government</u>	<u>Protection services</u>	<u>Transportation services</u>	<u>Environmental services</u>	<u>Health services</u>	<u>Social and family services</u>	<u>Recreation and culture services</u>	<u>Planning and development</u>	<u>Other</u>	<u>2023 Total</u>
<b>Revenues</b>										
Net taxation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,860,574</u>	<u>\$ 4,860,574</u>
Government transfers										
Federal	-	-	-	-	-	-	5,900	-	-	5,900
Provincial	<u>7,523</u>	<u>59,847</u>	<u>1,009,328</u>	<u>56,295</u>	<u>242,772</u>	<u>-</u>	<u>585,233</u>	<u>11,192</u>	<u>1,737,400</u>	<u>3,709,590</u>
	<u>7,523</u>	<u>59,847</u>	<u>1,009,328</u>	<u>56,295</u>	<u>242,772</u>	<u>-</u>	<u>591,133</u>	<u>11,192</u>	<u>1,737,400</u>	<u>3,715,490</u>
User charges	<u>4,868</u>	<u>43,456</u>	<u>17,850</u>	<u>515,272</u>	<u>27,698</u>	<u>-</u>	<u>109,775</u>	<u>19,302</u>	<u>-</u>	<u>738,221</u>
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>546,200</u>	<u>546,200</u>
	<u>12,391</u>	<u>103,303</u>	<u>1,027,178</u>	<u>571,567</u>	<u>270,470</u>	<u>-</u>	<u>700,908</u>	<u>30,494</u>	<u>7,144,174</u>	<u>9,860,485</u>
<b>Expenses</b>										
Salaries, wages and benefits	418,819	235,160	585,465	26,003	186,231	-	224,615	24,058	-	1,700,351
Long-term debt charges (interest)	-	-	9,642	-	-	-	-	-	-	9,642
Materials, contracted services, rents and financial expenses	291,781	1,026,568	1,007,317	772,165	709,517	252,653	513,958	83,921	-	4,657,880
Amortization	<u>11,284</u>	<u>95,171</u>	<u>765,277</u>	<u>542,605</u>	<u>12,349</u>	<u>-</u>	<u>105,171</u>	<u>-</u>	<u>-</u>	<u>1,531,857</u>
	<u>721,884</u>	<u>1,356,899</u>	<u>2,367,701</u>	<u>1,340,773</u>	<u>908,097</u>	<u>252,653</u>	<u>843,744</u>	<u>107,979</u>	<u>-</u>	<u>7,899,730</u>
<b>Annual Surplus (Deficit)</b>	<u><u>\$ (709,493)</u></u>	<u><u>\$ (1,253,596)</u></u>	<u><u>\$ (1,340,523)</u></u>	<u><u>\$ (769,206)</u></u>	<u><u>\$ (637,627)</u></u>	<u><u>\$ (252,653)</u></u>	<u><u>\$ (142,836)</u></u>	<u><u>\$ (77,485)</u></u>	<u><u>\$ 7,144,174</u></u>	<u><u>\$ 1,960,755</u></u>