

Consolidated Financial Statements

**THE CORPORATION OF THE
TOWNSHIP OF THE NORTH
SHORE**

Year ended December 31, 2024

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Township of the North Shore (the "Township") are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Township's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by Management.

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

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

Acting Clerk / Interim Treasurer



KPMG LLP
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Sault Ste. Marie, ON P6B 2V4
Canada
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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of The Corporation of the Township of the North Shore (the "Township"), which comprise:

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of remeasurement gains and losses for the year ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2024, and its consolidated results of operations and accumulated surplus, its consolidated changes in net debt 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 financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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



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

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

In preparing the financial statements, management is responsible for assessing the 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 Responsibility for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Canada

April 1, 2026

THE CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Consolidated Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial assets		
Cash	\$ 180,408	\$ 205,621
Portfolio investments (note 6)	1,200,467	1,234,007
Taxes receivable (note 7)	231,962	123,752
User charges receivable	3,872	7,693
Other accounts receivable (note 8)	257,790	84,024
	<u>1,874,499</u>	<u>1,655,097</u>
Financial liabilities		
Accounts payable and accrued liabilities (note 10)	178,406	91,042
Obligations under capital lease (note 11)	116,674	170,048
Deferred revenue - obligatory (note 12)	118,347	129,445
Deferred revenue - other (note 13)	693,369	521,873
Asset retirement obligation (note 14)	1,183,649	992,567
	<u>2,290,445</u>	<u>1,904,975</u>
Net debt	(415,946)	(249,878)
Non-financial assets		
Tangible capital assets (note 16)	5,426,833	5,518,601
Land held for resale	19,457	19,457
Prepaid expenses	86,343	76,273
	<u>5,532,633</u>	<u>5,614,331</u>
Contingencies and guarantees (note 21)		
Accumulated surplus (note 17)	<u>\$ 5,116,687</u>	<u>\$ 5,364,453</u>
Accumulated surplus is comprised of:		
Accumulated operating surplus	5,127,191	5,375,124
Accumulated rereasurement losses	(10,504)	(10,671)
Accumulated surplus	<u>\$ 5,116,687</u>	<u>\$ 5,364,453</u>

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

THE CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	Budget 2024 (note 19)	Actual 2024	Actual 2023
Revenues:			
Municipal taxation	\$ 1,307,523	\$ 1,276,371	\$ 1,211,708
Provincial grants	392,959	400,758	367,919
User charges	125,683	133,425	133,217
Other	14,800	138,859	50,112
Federal grants	158,266	89,123	58,013
Penalties and interest on taxes and water	15,700	18,823	18,939
Gain on sale of land held for resale	-	11,001	163,569
Loss on disposal of tangible capital assets	-	(10,758)	-
Total revenues	2,014,931	2,057,602	2,003,477
Expenses:			
General government	466,024	591,037	448,416
Protection to persons and property	286,576	288,902	253,185
Transportation services	216,685	234,656	206,162
Environmental services	707,881	666,856	616,473
Health services	201,097	196,235	187,264
Social and family services	179,400	175,671	171,100
Recreational and cultural services	153,280	119,970	183,190
Planning and development	45,662	32,208	30,806
Total expenses	2,256,605	2,305,535	2,096,596
Annual deficit	(241,674)	(247,933)	(93,119)
Accumulated surplus, beginning of year	5,375,124	5,375,124	5,468,243
Accumulated surplus, end of year	\$ 5,133,450	\$ 5,127,191	\$ 5,375,124

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

THE CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Consolidated Statement of Change in Net Debt

Year ended December 31, 2024, with comparative information for 2023

	Budget 2024	Actual 2024	Actual 2023
	(note 19)		
Annual deficit	\$ (241,674)	\$ (247,933)	\$ (93,119)
Net remeasurement gains for the year	-	167	3,070
		(247,766)	(90,049)
Acquisition of tangible capital assets	(323,802)	(411,029)	(171,881)
Amortization of tangible capital assets	492,039	492,039	408,931
Loss on disposal of tangible capital assets	-	10,758	-
Acquisition of prepaid expenses	-	(10,070)	(1,075)
Change in net debt	(73,437)	(166,068)	145,926
Net debt, beginning of year	(249,878)	(249,878)	(395,804)
Net debt, end of year	\$ (323,315)	\$ (415,946)	\$ (249,878)

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

THE CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Consolidated Statement of Remeasurement Gains and Losses

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Accumulated remeasurement losses, beginning of year	\$ (10,671)	\$ (13,741)
Unrealized gains attributable to:		
Pooled funds	167	3,070
Net remeasurement gains for the year	167	3,070
Accumulated remeasurement losses, end of year	\$ (10,504)	\$ (10,671)

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

THE CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Consolidated Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (247,933)	\$ (93,119)
Items not involving cash:		
Accretion of asset retirement obligation	26,046	35,968
Amortization of tangible capital assets	492,039	408,931
Net remeasurement gains	167	3,070
Loss on disposal of tangible capital assets	10,758	-
Change in asset retirement obligation	165,036	-
	446,113	354,850
Change in non-cash assets and liabilities:		
Decrease in taxes receivable	(108,210)	33,162
Decrease (increase) in user charges receivable	3,821	(3,707)
Increase in other accounts receivable	(173,766)	(29,811)
Increase (decrease) in accounts payable and accrued liabilities	87,364	(50,831)
Increase (decrease) in deferred revenue - obligatory	(11,098)	5,935
Increase in deferred revenue - other	171,496	176,238
Increase in prepaid expenses	(10,070)	(1,075)
Net change in cash from operating activities	405,650	484,761
Investing activities:		
Change in portfolio investments	33,540	(604,351)
Net change in investing activities	33,540	(604,351)
Financing activities:		
Repayment of obligations under capital lease	(53,374)	(50,579)
Capital activities:		
Acquisition of tangible capital assets	(411,029)	(171,881)
Net change in cash	(25,213)	(342,050)
Cash, beginning of year	205,621	547,671
Cash, end of year	\$ 180,408	\$ 205,621

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

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements

Year ended December 31, 2024

The Corporation of the Township of the North Shore (the “Township”) is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and other related legislation.

1. Significant accounting policies:

The consolidated financial statements of the Township are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board and the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Township are as follows:

(a) Reporting entity:

- (i) These consolidated financial statements reflect the assets, liabilities, revenues and expenses and include the activities of all committees of Council and the North Shore Cemetery Board which is under the control of Council.

All interfund and inter-organizational transactions and balances between these organizations are eliminated.

(ii) Accounting for school board transactions:

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the revenue and expenses in these consolidated financial statements (note 3).

(iii) Trust funds:

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Financial Statements (note 4).

(iv) Joint local boards:

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

Algoma Public Health

Algoma District Services Administration Board

(b) Accrual basis of accounting:

The accrual basis of accounting recognized 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.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(c) Reserve and reserve funds:

Certain amounts, as approved by Council are set aside in reserves and reserve funds for future operating and capital purposes. Transfer to and from reserve and reserve funds are an adjustment to the respective fund when approved.

(d) Pension and employee benefits:

The Township accounts for its participation in the Ontario Municipal Employee Retirement Systems ("OMERS"), a multi- employer public sector pension fund, as a deferred contribution plan.

(e) Taxation and other revenues:

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

A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessments. Assessments and related property taxes are subject to appeal by ratepayers. Tax adjustments as a result of supplementary assessments and appeals are estimated based on historical results.

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

User fees and other revenues are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided.

(f) Government grants and transfers:

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

(g) Deferred revenue - obligatory:

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 expenses, are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(h) Deferred revenue - other:

The Township receives certain amounts pursuant to funding agreements that may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recorded as deferred revenue and are recognized as revenue in the fiscal year the eligibility criteria have been met. Also includes user charges and other fees which have been collected but for which the services have yet to be performed. These amounts are recognized as revenues in the fiscal year the services are performed.

(i) Investments and investment income:

Investments consist of authorized investments pursuant to provisions of the Municipal Act and are comprised of short-term instruments in various securities. Investments with original maturity dates between three months and one year are classified as investments in the consolidated statement of financial position and are carried at fair market value.

Investment income earned on surplus funds is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the deferred revenue balances.

(j) 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.

(k) Tangible capital assets:

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

Asset	Useful Life - Years
Buildings	10 - 50
Furniture, fixtures and equipment	5 - 50
Vehicles	10 - 20
Water and sewer infrastructure	5 - 55
Roads and bridges infrastructure	5 - 55
Leased assets	5

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(k) Tangible capital assets (continued):

Tangible capital assets are written down when conditions indicate they no longer contribute to the Township's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their books value. The net-write-downs are accounted for as expenses in the statement of operations.

(i) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(ii) Natural resources

Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(l) Land held for resale:

Land held for resale consisting of surplus land is recorded at the lower of cost and net realizable value.

(m) Financial Instruments:

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

The Township subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities and bonds that are quoted in an active market or financial assets or liabilities designated to the fair value category, which are subsequently measured at fair value. Unrealized changes in fair value are recognized in the consolidated statement of remeasurement gains and losses.

Financial assets measured at amortized cost include cash, taxes receivable, user charges receivable, and other accounts receivable.

Financial assets measured at fair value include the pooled funds held within the investment.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and obligations under capital lease.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(n) Use of estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods specified. Significant items subject to such estimates and assumptions include the valuation allowances for taxes and accounts receivable, the carrying value of tangible capital assets and asset retirement obligations.

Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(o) Asset retirement obligation:

The Township recognizes the fair value of an Asset Retirement Obligation (“ARO”) when all of the following criteria have been met:

- 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

2. Change in accounting policies:

The Township adopted the following standards concurrently beginning January 1, 2024 retroactively: *PS 3160 Public Private Partnerships*, *PS 3400 Revenue* and adopted *PSG-8 Purchased Intangibles* prospectively.

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. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

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. There was no impact to the Township for the adoption of this standard.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

2. Change in accounting policies (continued):

PS 3160 Public Private Partnerships (P3s) provides specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. There was no impact to the Township for the adoption of this standard.

3. Operations of school boards:

Taxation, other revenues and requisitions for the school boards amounting to \$246,126 (2023 - \$178,458) are not reflected in these consolidated financial statements.

4. Trust funds:

Trust Funds administered by the Township amounting to \$37,208 (2023 - \$31,770) have not been included on the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations and accumulated surplus.

5. Contributions to unconsolidated jointed boards:

Further to note 1(a)(iv), the following contributions were made by the Township to these Boards:

	2024	2023
Algoma Public Health	\$ 22,761	\$ 21,473
Algoma District Social Services Administration Board	335,477	326,147
	<u>\$ 358,238</u>	<u>\$ 347,620</u>

6. Portfolio investments:

The Guaranteed Investment certificates have an interest rates between 5.00% and 5.58% and maturity dates between January 2025 and September 2025.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

7. Taxes receivable:

	2024	2023
Current	\$ 220,247	\$ 93,313
Past year	30,969	8,434
Previous years	7,017	2,754
Penalties and interest	13,729	5,704
Payments in lieu	–	13,547
	271,962	123,752
Allowance for doubtful taxes	(40,000)	–
	\$ 231,962	\$ 123,752

8. Other accounts receivable:

Accounts receivable consist of the following:

	2024	2023
HST recoverable	\$ 27,218	\$ 32,121
Government transfers receivables	77,168	2,007
Other receivables	153,404	49,896
	\$ 257,790	\$ 84,024

9. Line of credit:

A line of credit has been authorized by the Bank of Nova Scotia and bears interest at the bank's prime lending rate plus 0.5% per annum and is secured by a general security agreement and an assignment of insurance. The Township has \$Nil (2023 - \$Nil) borrowed at year-end of a maximum limit of \$500,000.

10. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$12,396 (2023 - \$11,107) which includes amounts payable for payroll related taxes and remittances.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

11. Obligation under capital lease:

The Township has financed a John Deere dozer by entering into a capital leasing arrangement. Capital lease repayments are due as follows:

2025	\$	39,300
2026		23,356
		62,656
Less amount representing interest at 2.95%		(1,514)
	\$	61,142

Interest of \$2,382 (2023 - \$3,447) relating to the capital lease obligation has been included in expenses.

The Township has financed a Chevrolet Silverado vehicle by entering into a capital leasing arrangement. Capital lease repayments are due as follows:

2025	\$	20,090
2026		20,090
2027		20,090
		60,270
Less amount representing interest at 5.49%		(4,738)
	\$	55,532

Interest of \$3,497 (2023 - \$4,372) relating to the capital lease obligation has been included in expenses.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

12. Deferred revenue – obligatory:

The continuity of transactions within the obligatory reserve funds are as described below:

	2024	2023
Federal Gas Tax:		
Balance, beginning of year	\$ 129,445	\$ 123,510
Contributions received	33,389	32,896
Interest earned	5,572	6,175
Recognized in revenue in the period	(50,059)	(33,136)
Total deferred revenue - obligatory	\$ 118,347	\$ 129,445

13. Deferred revenue – other:

	2024	2023
OCIF – Core Infrastructure	\$ 420,666	\$ 312,096
NORDS funding	257,524	195,522
Future property taxes	15,179	14,255
	\$ 693,369	\$ 521,873

14. Asset retirement obligation:

The Township's asset retirement obligation consists of a landfill obligation.

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated life of the landfill site based on usage.

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance.

The Township owns and operates an active landfill site. The liability for the closure of operational sites and post-closure care has been recognized under PS 3280 Asset Retirement Obligation. The reported liability is based on estimates and assumptions with respect to events extending over a thirty-year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

14. Asset retirement obligation (continued):

Post-closure care for the landfill sites is estimated to be required for 24 years from the date of site closure. These costs were discounted to December 31, 2024 using a discount rate of 2.25% per annum.

At current average fill rates, the site has a remaining operating life of approximately 4 years and expected closure in 2028.

Changes in the estimated obligation during the year consists of the following:

	2024	2023
Balance, beginning of year	\$ 992,567	\$ 956,599
Change in estimate	165,036	–
Accretion expense	26,046	35,968
Balance, end of year	\$ 1,183,649	\$ 992,567

The Township is proceeding with an application to expand the site to accept an additional 39,990 m³ of waste.

Obligations related to landfill closure will be funded from future taxation revenues.

15. Pension agreement:

OMERS provides pension services to more than 525,000 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. The most recent actuarial valuation of the Plan was conducted at December 31, 2024. The results of this valuation disclosed total going concern actuarial liabilities of \$142,489 million (2023 - \$136,185 million) in respect of benefits accrued for service with total going concern actuarial assets at that date of \$139,576 million (2023 - \$131,983 million) indicating a going concern actuarial deficit of \$2,913 million (2023 - \$4,202 million). As OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees and the Township’s share is not determinable. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

During the year ended December 31, 2024, the Township contributed \$20,769 (2023 - \$21,797) to OMERS for current service and is included in salaries and benefits within the statement of operations.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

16. Tangible capital assets:

Cost	Balance at December 31, 2023	Additions	Disposals	Balance at December 31, 2024
Land	\$ 297,561	\$ -	\$ -	\$ 297,561
Buildings	1,283,165	-	-	1,283,165
Furniture, fixtures and equipment	1,203,788	6,432	(48,899)	1,161,321
Vehicles	515,039	82,935	-	597,974
Water and sewer infrastructure	4,771,818	59,049	-	4,830,867
Roads and bridges infrastructure	3,874,660	50,058	-	3,924,718
Leased assets	272,579	-	-	272,579
Landfill	1,272,043	212,555	-	1,484,598
Total	\$ 13,490,653	\$ 411,029	\$ (48,899)	\$ 13,852,783

Accumulated Amortization	Balance at December 31, 2023	Disposals	Amortization	Balance at December 31, 2024
Land	\$ -	\$ -	\$ -	\$ -
Buildings	773,564	-	28,920	802,484
Furniture, fixtures and equipment	760,502	(38,141)	67,300	789,661
Vehicles	334,808	-	31,856	366,664
Water and sewer infrastructure	2,695,239	-	140,617	2,835,856
Roads and bridges infrastructure	3,033,263	-	87,899	3,121,162
Leased assets	56,694	-	27,258	83,952
Landfill	317,982	-	108,189	426,171
Total	\$ 7,972,052	\$ (38,141)	\$ 492,039	\$ 8,425,950

	Net book value, December 31, 2023	Net book value, December 31, 2024
Land	\$ 297,561	\$ 297,561
Buildings	509,601	480,681
Furniture, fixtures and equipment	443,286	371,660
Vehicles	180,231	231,310
Water and sewer infrastructure	2,076,579	1,995,011
Roads and bridges infrastructure	841,397	803,556
Leased assets	215,885	188,627
Landfill	954,061	1,058,427
Total	\$ 5,518,601	\$ 5,426,833

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

16. Tangible capital assets (continued):

Cost	Balance at December 31, 2022	Additions	Disposals	Balance at December 31, 2023
Land	\$ 297,561	\$ -	\$ -	\$ 297,561
Buildings	1,283,165	-	-	1,283,165
Furniture, fixtures and equipment	1,187,109	16,679	-	1,203,788
Vehicles	435,409	79,630	-	515,039
Water and sewer infrastructure	4,771,818	-	-	4,771,818
Roads and bridges infrastructure	3,815,321	59,339	-	3,874,660
Leased assets	272,579	-	-	272,579
Landfill	1,255,810	16,233	-	1,272,043
Total	\$ 13,318,772	\$ 171,881	\$ -	\$ 13,490,653

Accumulated Amortization	Balance at December 31, 2022	Disposals	Amortization	Balance at December 31, 2023
Land	\$ -	\$ -	\$ -	\$ -
Buildings	744,644	-	28,920	773,564
Furniture, fixtures and equipment	687,795	-	72,707	760,502
Vehicles	294,381	-	40,427	334,808
Water and sewer infrastructure	2,556,477	-	138,762	2,695,239
Roads and bridges infrastructure	2,942,464	-	90,799	3,033,263
Leased assets	37,044	-	19,650	56,694
Landfill	300,316	-	17,666	317,982
Total	\$ 7,563,121	\$ -	\$ 408,931	\$ 7,972,052

	Net book value, December 31, 2022	Net book value, December 31, 2023
Land	\$ 297,561	\$ 297,561
Buildings	538,521	509,601
Furniture, fixtures and equipment	499,314	443,286
Vehicles	141,028	180,231
Water and sewer infrastructure	2,215,341	2,076,579
Roads and bridges infrastructure	235,535	215,885
Leased assets	872,857	841,397
Landfill	955,494	954,061
Total	\$ 5,755,651	\$ 5,518,601

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

17. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2024	2023
Surplus:		
Invested in tangible capital assets	\$ 5,310,159	\$ 5,348,553
General surplus	314,993	335,936
Amounts to be recovered:		
Asset retirement obligations	(1,183,649)	(992,567)
	4,441,503	4,691,922
Reserves set aside by Council for:		
Cash flow reserves	199,204	218,847
Reserves for capital purposes	486,484	464,355
	685,688	683,202
Accumulated remeasurement losses	(10,504)	(10,671)
	\$ 5,116,687	\$ 5,364,453

18. Public sector salary disclosure:

During 2024, no employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Township.

19. Budget information:

The budget adopted by Council was not prepared on a basis consistent with that used to report actual results according to Canadian public sector accounting standards. As a result, the budget figures presented in the consolidated statement of operations and accumulated surplus represent the financial plan adopted by Council with adjustment as follows:

Annual deficit per budget approved by Council	\$	-
Less:		
Transfer from reserves		(73,437)
Amortization of tangible capital assets		(492,039)
		(565,476)
Add:		
Investment in tangible capital assets		323,802
Annual deficit per consolidated statement of operations and accumulated surplus	\$	(241,674)

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

20. Financial risks:

The Township is exposed to various risks through its financial instruments. The following analysis provides information about the Township's risk exposure and concentration as of December 31, 2024.

(a) Credit risk:

The Credit risk arises from the potential that a counter party will fail to perform its obligations. The Township is exposed to credit risk from customers and ratepayers. The Township has a significant number of customers and ratepayers which minimizes concentration of credit risk.

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

(b) Liquidity risk:

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

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

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

21. Contingencies and guarantees:

The Township is involved in claims and litigation in the normal course of operations. Any settlements or awards will be recorded in the period they become determinable.

22. Comparative information:

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenue over expenses.

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

23. Segmented information:

The Township is a diversified municipal government institution that provides a wide range of services to its citizens, including General Government Services, Protection Services, Transportation Services, Environmental Services, Health Services, Social and Family Services, Recreational and Cultural Services and Planning and Development Services. Service areas were created for the purposes of recording specific activities to attain certain objectives in accordance with regulations, restrictions or limitations (see Schedule to note).

Municipal Services are provided by departments and their activities are reported in these Service Areas. Departments disclosed in the Segmented Information, along with the services they provide, are as follows:

General Government Services

The departments within General Government Services are responsible for adopting bylaws; adopting administrative policy; levying taxes; acquiring, disposing and managing Municipal assets; ensuring effective financial management; monitoring performance and ensuring that high quality Municipal Service standards are met.

Protection Services

Protection is comprised of police, fire / emergency, by-law enforcement and building inspections departments. The mandate of the police department 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 services; 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 Services

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 Services

The environmental department consists of three distinct utilities: water, wastewater and solid waste disposal. The department provides drinking water to ratepayers, collecting and treating wastewater and providing waste minimization programs and facilities for solid waste disposal and diversion.

Health Services

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

CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

23. Segmented information (continued):

Social and Family Services / Social Housing

Through the Algoma District Social Services Administration Board, the Township contributes to social assistance payments, childcare services and social housing. In addition, the Township provides alternative residential services for seniors.

Recreation and Cultural Services

The Department is responsible for providing, facilitating the development of, and maintaining high quality parks, recreational facilities, and cultural services.

Planning and Development

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

THE CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Note 23 - Segmented Information (continued)

Year ended December 31, 2024

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation & Cultural Services	Planning and Development	Total 2024
Revenues:									
Municipal taxation	\$ 1,276,371	-	-	-	-	-	-	-	\$ 1,276,371
Government transfers	482,885	-	-	-	-	-	6,996	-	489,881
User charges	3,900	26,043	-	100,545	2,937	-	-	-	133,425
Other	125,943	8,484	200	9,461	1,509	-	4,325	7,760	157,682
Gain on sale of land held for resale	11,001	-	-	-	-	-	-	-	11,001
Loss on disposal of tangible capital assets	(10,758)	-	-	-	-	-	-	-	(10,758)
	1,889,342	34,527	200	110,006	4,446	-	11,321	7,760	2,057,602
Expenses:									
Salaries, wages and benefits	208,681	38,459	47,818	53,777	-	-	55,844	-	404,579
Interest on capital lease obligations	-	-	3,497	2,382	-	-	-	-	5,879
Materials	113,460	59,131	82,417	299,596	12,713	-	32,856	25,412	625,585
Contracted services	217,925	166,685	-	-	-	-	-	4,959	389,569
Rents and financial	1,200	-	-	28,446	-	-	-	-	29,646
External transfers	-	-	-	-	182,567	175,671	-	-	358,238
Amortization of tangible capital assets	49,771	24,627	100,924	282,655	955	-	31,270	1,837	492,039
	591,037	288,902	234,656	666,856	196,235	175,671	119,970	32,208	2,305,535
Annual surplus (deficit)	\$ 1,298,305	(254,375)	(234,456)	(556,850)	(191,789)	(175,671)	(108,649)	(24,448)	\$ (247,933)

THE CORPORATION OF THE TOWNSHIP OF THE NORTH SHORE

Note 23 - Segmented Information (continued)

Year ended December 31, 2024

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation & Cultural Services	Planning and Development	Total 2023
Revenues:									
Municipal taxation	\$ 1,211,708	-	-	-	-	-	-	-	\$ 1,211,708
Government transfers	413,878	3,677	-	-	-	-	8,377	-	425,932
User charges	9,706	25,068	-	97,573	870	-	-	-	133,217
Other	32,747	1,760	243	-	465	-	27,836	6,000	69,051
Gain on sale of land held for resale	163,569	-	-	-	-	-	-	-	163,569
	1,831,608	30,505	243	97,573	1,335	-	36,213	6,000	2,003,477
Expenses:									
Salaries, wages and benefits	174,946	43,180	32,168	72,211	3,357	-	78,184	17,297	421,343
Interest on capital lease obligations	-	-	4,372	3,447	-	-	-	-	7,819
Materials	187,706	72,134	62,797	311,179	6,432	-	63,363	7,186	710,797
Contracted services	43,021	114,475	-	-	-	-	-	4,486	161,982
Rents and financial	-	-	-	38,104	-	-	-	-	38,104
External transfers	-	-	-	-	176,520	171,100	-	-	347,620
Amortization of tangible capital assets	42,743	23,396	106,825	191,532	955	-	41,643	1,837	408,931
	448,416	253,185	206,162	616,473	187,264	171,100	183,190	30,806	2,096,596
Annual surplus (deficit)	\$ 1,383,192	(222,680)	(205,919)	(518,900)	(185,929)	(171,100)	(146,977)	(24,806)	\$ (93,119)