

**The Corporation of
the Township of Conmee**
Financial Statements
For the year ended December 31, 2023

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The Corporation of the Township of Conmee Management's Statement of Responsibility for Financial Reporting

December 31, 2023

The accompanying financial statements of the Corporation of the Township of Conmee are the responsibility of management and have been approved by the Mayor and Council.

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards and include certain amounts based on estimates and judgments. When alternative accounting methods exist management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that the Township's assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the financial statements.

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

The financial statements have been reported on by the Corporation of the Township of Conmee's external auditor, MNP LLP in accordance with Canadian generally accepted auditing standards. The auditor's report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements. MNP LLP have access to financial management and the Mayor and Council of the Corporation of the Township of Conmee and meet when required.



Mayor



Clerk

To the Members of Council of the Corporation of the Township of Conmee:

Qualified Opinion

We have audited the financial statements of the Corporation of the Township of Conmee (the "Township") which comprise the statement of financial position as at December 31, 2023 and the statements of operations and accumulated surplus, change in net debt and the cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matters discussed in the *Basis for Qualified Opinion* paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2023 and the results of its operations, its change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Effective January 1, 2023, the Township was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retroactive application method, the asset retirement obligation on transition is to be recorded using assumptions as of January 1, 2023. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. Management has not completed its assessment of the tangible capital assets for potential asset retirement obligations. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended December 31, 2023 and 2022, tangible capital assets and the asset retirement obligation as at December 31, 2023 and 2022, and accumulated surplus as at January 1 and December 31 for both the 2023 and 2022 years.

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 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 qualified opinion.

Other Matter

The financial statements for the year ended December 31, 2022 were audited by another auditor who expressed a qualified opinion on those statements on December 20, 2023 due to the possible effects of the accounting standard departure because the Township had not completed an assessment of the obligations associated with the closure and post-closure costs of its solid waste disposal facilities.

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 Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 represent the underlying transactions and events in a manner that achieves fair presentation.

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

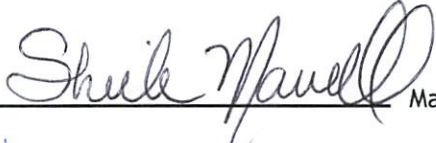
Thunder Bay, Ontario
June 30, 2025

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

**The Corporation of the Township of Conmee
Statement of Financial Position**

December 31	2023	2022
Financial assets		
Cash (Note 3)	\$ 293,734	\$ 197,087
Taxes receivable	157,524	165,289
Accounts receivable (Note 4)	80,497	197,253
	<u>531,755</u>	<u>559,629</u>
Liabilities		
Accounts payable and accrued liabilities	137,967	347,034
Deferred revenue (Note 5)	406,724	259,547
Long-term debt (Note 6)	813,879	897,649
Vested sick leave liability	-	3,829
	<u>1,358,570</u>	<u>1,508,059</u>
Net debt	<u>(826,815)</u>	<u>(948,430)</u>
Non-financial assets		
Tangible capital assets (Note 7)	2,668,174	2,851,491
Prepaid expenses	-	59,676
	<u>2,668,174</u>	<u>2,911,167</u>
Accumulated surplus (Note 8)	<u>\$ 1,841,359</u>	<u>\$ 1,962,737</u>



Mayor



Clerk

The Corporation of the Township of Conmee Statement of Operations and Accumulated Surplus

For the year ended December 31	2023 Budget	2023 Actual	2022 Actual
	(Note 11)		
Revenue			
Taxation			
Residential and farm	\$ 1,043,909	\$ 1,020,923	\$ 976,202
Commercial and industrial	-	19,993	16,560
User fees and service charges	10,250	33,380	9,101
Government transfers (Note 9)			
Government of Canada	51,949	-	-
Province of Ontario	511,608	444,732	552,397
Investment income	7,800	32,851	28,573
Other revenues	72,969	128,790	119,973
	<u>1,698,485</u>	<u>1,680,669</u>	<u>1,702,806</u>
Expenses (Note 10)			
General government	453,365	633,450	599,290
Protection services	226,980	268,139	220,900
Transportation services	395,799	506,798	531,040
Environmental services	67,707	91,312	54,752
Health services	85,249	99,618	79,363
Social and family services	88,271	90,663	82,581
Recreation and cultural services	93,748	105,765	110,366
Planning and development	250	250	250
	<u>1,411,369</u>	<u>1,795,995</u>	<u>1,678,542</u>
Annual surplus (deficit) before undernoted item	287,116	(115,326)	24,264
Loss on disposal of tangible capital assets	-	(6,052)	-
Annual surplus (deficit)	287,116	(121,378)	24,264
Accumulated surplus, beginning of year	1,962,737	1,962,737	1,938,473
Accumulated surplus, end of year	<u>\$ 2,249,853</u>	<u>\$ 1,841,359</u>	<u>\$ 1,962,737</u>

**The Corporation of the Township of Conmee
Statement of Change in Net Debt**

For the year ended December 31	2023 Budget	2023 Actual	2022 Actual
	(Note 11)		
Annual surplus (deficit)	\$ 287,116	\$ (121,378)	\$ 24,264
Acquisition of tangible capital assets	(155,000)	(128,778)	(24,848)
Amortization of tangible capital assets	-	132,127	149,980
Loss on disposal of tangible capital assets	-	6,052	-
Proceeds on disposal of tangible capital assets	-	173,916	-
Change in prepaid expenses	-	59,676	(15,439)
Net change in net debt	132,116	121,615	133,957
Net debt, beginning of year	(948,430)	(948,430)	(1,082,387)
Net debt, end of year	\$ (816,314)	\$ (826,815)	\$ (948,430)

The Corporation of the Township of Conmee Statement of Cash Flows

For the year ended December 31	2023	2022
Operating transactions		
Annual surplus (deficit)	\$ (121,378)	\$ 24,264
Items not involving cash		
Amortization	132,127	149,980
Loss on disposal of tangible capital assets	6,052	-
	<u>16,801</u>	<u>174,244</u>
Changes in non-cash operating balances		
Taxes receivable	7,765	(48,260)
Accounts and grants receivable	116,756	(14,094)
Accounts payable and accrued liabilities	(209,067)	139,227
Deferred revenue	147,177	93,616
Vested sick leave liability	(3,829)	(12,988)
Prepaid expenses	59,676	(15,439)
	<u>135,279</u>	<u>316,306</u>
Capital transactions		
Acquisition of tangible capital assets	(128,778)	(24,848)
Proceeds on disposal of tangible capital assets	173,916	-
	<u>45,138</u>	<u>(24,848)</u>
Financing transactions		
Repayment of long-term debt	(83,770)	(85,704)
Increase in cash for the year	96,647	205,754
Cash (bank indebtedness), beginning of year	197,087	(8,667)
Cash, end of year	\$ 293,734	\$ 197,087

The Corporation of the Township of Conmee Notes to Financial Statements

December 31, 2023

1. Significant Accounting Policies

Management's Responsibility for the Financial Statements	The financial statements of the Township are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of CPA Canada. The Corporation of the Township of Conmee (the "Township") is a municipality in the Province of Ontario and operates under the provisions of Provincial statutes, such as the Municipal Act and related legislation. The Township provides municipal services such as protection to persons and property, transportation, planning, recreation and other general government services.
Reporting Entity	<p>The financial statements reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which are owned or controlled by the Township.</p> <p>The Township contributes to the following joint local boards, which are not proportionately consolidated in these statements:</p> <p style="text-align: center;">Lakehead Police Services Board Lakehead Rural Planning Board Thunder Bay District Health Unit The District of Thunder Bay Social Services Administration Board</p>
Cash and Cash Equivalents	Cash and cash equivalents consist of cash on hand, balances in banks and high interest savings accounts.
Non-financial Assets	Non-financial assets are used to provide the Township's services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold. The Township's non-financial assets include tangible capital assets and prepaid expenses.
Accounting for School Board Transactions	The Township collects taxation revenue on behalf of the school boards. The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the current fund balances of these financial statements. Education taxes collected by the Township and over-remitted or not remitted to the respective school boards as at December 31 are reported as a financial asset or liability on the statement of financial position.

The Corporation of the Township of Conmee Notes to Financial Statements

December 31, 2023

1. Significant Accounting Policies (cont'd)

Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the assets are available for productive use as follows:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Land improvements</td> <td style="text-align: right;">-</td> <td style="text-align: right;">10 to 75 years</td> </tr> <tr> <td>Buildings</td> <td style="text-align: right;">-</td> <td style="text-align: right;">5 to 70 years</td> </tr> <tr> <td>Vehicles</td> <td style="text-align: right;">-</td> <td style="text-align: right;">10 to 20 years</td> </tr> <tr> <td>Computer equipment and software</td> <td style="text-align: right;">-</td> <td style="text-align: right;">5 years</td> </tr> <tr> <td>Machinery and equipment</td> <td style="text-align: right;">-</td> <td style="text-align: right;">5 to 25 years</td> </tr> <tr> <td>Roads</td> <td style="text-align: right;">-</td> <td style="text-align: right;">15 to 60 years</td> </tr> <tr> <td>Bridges and culverts</td> <td style="text-align: right;">-</td> <td style="text-align: right;">35 to 80 years</td> </tr> </table> <p>Assets under construction are not amortized until the asset is available for use.</p> <p>Certain assets have been assigned a nominal value because of the difficulty of determining a tenable valuation. The most significant of such assets are the Township's road allowances.</p>	Land improvements	-	10 to 75 years	Buildings	-	5 to 70 years	Vehicles	-	10 to 20 years	Computer equipment and software	-	5 years	Machinery and equipment	-	5 to 25 years	Roads	-	15 to 60 years	Bridges and culverts	-	35 to 80 years
Land improvements	-	10 to 75 years																				
Buildings	-	5 to 70 years																				
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Computer equipment and software	-	5 years																				
Machinery and equipment	-	5 to 25 years																				
Roads	-	15 to 60 years																				
Bridges and culverts	-	35 to 80 years																				
Trust Funds	<p>Any funds held in trust by the Township, and their related operations, are not included in these financial statements. The financial activity and position of the trust fund is reported separately.</p>																					
Employee Benefits	<p>Obligations for sick leave are accrued as the eligible employees render the services necessary to earn the benefit. Vacation pay and other post-employment benefits are charged to operations in the year earned.</p>																					
Deferred Revenue	<p>Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.</p>																					

The Corporation of the Township of Conmee Notes to Financial Statements

December 31, 2023

1. Significant Accounting Policies (cont'd)

Revenue Recognition	<p>User charges and fees are recognized as revenue in the period in which the related services are performed. Amounts collected for which the related services have yet to be performed are recognized as a liability and recognized as revenue when the related services are performed.</p> <p>Interest is recognized as it is earned.</p> <p>Funds received, other than government transfers and tax revenue, for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations and accumulated surplus in the year in which it is used for the specified purpose.</p>
Government Transfers	<p>Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made unless the transfer contains stipulations that create a liability. If the transfer contains stipulations that create a liability, the related revenue is recognized over the period that the liability is extinguished.</p>
Taxation Revenue	<p>Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.</p>
Use of Estimates	<p>The preparation of financial statements in accordance with Canadian public sector accounting standards 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 revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates in these financial statements include assumptions used in estimating provisions for doubtful taxes and accounts receivable and useful lives of tangible capital assets.</p>

The Corporation of the Township of Conmee Notes to Financial Statements

December 31, 2023

1. Significant Accounting Policies (cont'd)

Liability for Contaminated Sites	A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if unexpected events result in contamination. A liability for remediation of contaminated sites is recognized when the Township is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.
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2. Adoption of New Accounting Standards

The Township adopted the following standards concurrently beginning January 1, 2022 prospectively: Public Sector Accounting Handbook Standard 1201: Financial Statement Presentation, Public Sector Accounting Handbook Standard 2601: Foreign Currency Translation and Public Sector Accounting Handbook Standard 3041 Portfolio Investments and Public Sector Accounting Handbook Standard 3450 Financial Instruments. The Township was not impacted by the adoption of the new standards.

3. Cash

	<u>2023</u>	<u>2022</u>
Operating bank account (overdraft)	\$ 167,299	\$ (3,104)
CCBF bank account	89,275	127,131
OCIF bank account	36,250	8,189
Reserve fund bank account	910	64,871
	<u>\$ 293,734</u>	<u>\$ 197,087</u>

The Township's credit facilities include a revolving demand line of credit with authorized credit of \$300,000 which carries interest at prime less 0.50%. As at December 31, 2023, the Township utilized \$nil (2022 - \$nil) of this facility. The prime rate was 7.2% at December 31, 2023 and the interest rate on the credit facility is 6.7% at year-end.

The Corporation of the Township of Conmee Notes to Financial Statements

December 31, 2023

4. Accounts and Grants Receivable

	2023	2022
Public service bodies' rebate (HST)	\$ 49,248	\$ 42,291
City of Thunder Bay - POA	7,774	-
Ministry of Municipal Affairs and Housing	-	140,153
Northern Ontario Heritage Fund Corporation	23,475	14,809
	\$ 80,497	\$ 197,253

5. Deferred Revenue

	2023	2022
Canada Community-Building Fund	\$ 261,322	\$ 204,498
Main Street Revitalization	18,255	18,255
Rental - food bank	21,600	-
Ontario Community Infrastructure Fund	105,547	36,794
	\$ 406,724	\$ 259,547

The change during the year in the deferred revenue is made up as follows:

	2023	2022
Balance, beginning of year	\$ 259,547	\$ 165,931
Investment income	4,245	4,873
Transfers from revenue	338,991	225,392
Transfers to revenue	(196,059)	(136,649)
Balance, end of year	\$ 406,724	\$ 259,547

The Corporation of the Township of Conmee Notes to Financial Statements

December 31, 2023

6. Long-Term Debt

	2023	2022
TD Canada Trust		
Term loan payable in blended monthly installments of \$1,316 including interest at 6.433%, maturing September 2039	\$ 156,553	\$ 161,618
Term loan payable in blended monthly installments of \$1,162 including interest at 3.921% maturing December 2041	179,770	186,518
Term loan payable in blended monthly installments of \$3,515 including interest at 6.411% maturing September 2032	282,061	305,410
Infrastructure Ontario		
Debenture payable in semi-annual installments of \$25,112 including interest at 1.22%, maturing August 2027	195,495	244,103
	\$ 813,879	\$ 897,649

Principal repayments relating to the long-term debt over the next five years and thereafter are as follows:

Year	Amount
2024	\$ 86,200
2025	88,600
2026	91,700
2027	94,900
2028	47,900
Thereafter	404,579
	\$ 813,879

**The Corporation of the Township of Conmee
Notes to Financial Statements**

December 31, 2023

7. Tangible Capital Assets

	General					Infrastructure						2023 Total	2022 Total
	Land and Land Improvements	Buildings	Vehicles	Computer Equipment and Software	Machinery and Equipment	Land and Land Improvements	Buildings	Vehicles	Roads	Machinery and Equipment	Bridges and Culverts		
Cost, opening	\$ 445,325	\$ 1,512,766	\$ 291,597	\$ 19,314	\$ 227,902	\$ 21,375	\$ 115,995	\$ 528,200	\$ 703,265	\$ 1,019,523	\$ 418,388	\$ 5,303,650	\$ 5,278,802
Additions	-	-	-	-	-	-	-	-	128,778	-	-	128,778	24,848
Disposals	(64,804)	(143,450)	-	-	-	-	-	(83,328)	(64,043)	(116,788)	-	(472,413)	-
Cost, closing	380,521	1,369,316	291,597	19,314	227,902	21,375	115,995	444,872	768,000	902,735	418,388	4,960,015	5,303,650
Accumulated amortization, opening	198,323	444,956	271,797	19,314	186,107	19,192	31,329	279,744	476,543	375,580	149,274	2,452,159	2,302,179
Amortization	9,069	31,124	1,523	-	4,736	-	1,186	25,854	23,965	30,503	4,167	132,127	149,980
Disposals	-	(28,286)	-	-	-	-	-	(83,328)	(64,043)	(116,788)	-	(292,445)	-
Accumulated amortization, closing	207,392	447,794	273,320	19,314	190,843	19,192	32,515	222,270	436,465	289,295	153,441	2,291,841	2,452,159
Net carrying amount	\$ 173,129	\$ 921,522	\$ 18,277	\$ -	\$ 37,059	\$ 2,183	\$ 83,480	\$ 222,602	\$ 331,535	\$ 613,440	\$ 264,947	\$ 2,668,174	\$ 2,851,491

The Corporation of the Township of Conmee Notes to Financial Statements

December 31, 2023

8. Accumulated Surplus

The Township segregates its accumulated surplus into the following categories:

	2023	2022
Surpluses (deficits)		
General fund	\$ (284,559)	\$ (258,900)
Investment in tangible capital assets	2,668,174	2,851,491
Amounts to be funded		
Long-term debt	(813,880)	(897,649)
Vested sick leave liability	-	(3,829)
	1,569,735	1,691,113
Reserves set aside for specific purposes by Council		
For working capital	222,660	222,660
Reserve funds set aside for specific purposes by Council		
For landfill closure and post-closure liability	39,853	39,853
For sick leave	8,705	8,705
For operating	406	406
	48,964	48,964
Accumulated surplus	\$ 1,841,359	\$ 1,962,737

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Reserves and reserve funds represent a portion of accumulated surplus set aside by By-law or Council resolution for specific purposes.

The Corporation of the Township of Conmee Notes to Financial Statements

December 31, 2023

9. Government Transfers

	Budget 2023	2023	2022
Federal			
AMO - Canada Community-Building Fund	\$ 51,949	\$ -	\$ -
Provincial			
Ministry of Northern Development, Mines, Natural Resources and Forestry	207,772	61,722	123,443
Ministry of Municipal Affairs and Housing	-	1,462	140,153
Ministry for Seniors and Accessibility	-	-	10,234
Northern Ontario Heritage Fund Corporation	45,818	44,339	63,136
Ontario Community Infrastructure Fund	54,893	132,876	13,206
Ontario Municipal Partnership Fund	201,900	201,900	201,000
Other	1,225	2,433	1,225
	<u>511,608</u>	<u>444,732</u>	<u>552,397</u>
	<u>\$ 563,557</u>	<u>\$ 444,732</u>	<u>\$ 552,397</u>

10. Expenses By Object

	Budget 2023	2023	2022
Salaries, wages and employee benefits	\$ 546,984	\$ 493,477	\$ 501,264
Interest on long-term debt	-	37,055	32,667
Materials and supplies	465,038	658,438	597,429
Contracted services	213,126	272,772	219,244
Financial	7,500	9,696	7,918
External transfers	178,721	192,430	170,040
Amortization	-	132,127	149,980
	<u>\$ 1,411,369</u>	<u>\$ 1,795,995</u>	<u>\$ 1,678,542</u>

The Corporation of the Township of Conmee Notes to Financial Statements

December 31, 2023

11. Budget

The Financial Plan (Budget) By-Law adopted by Council on June 13, 2023 was not prepared on a basis consistent with that used to report actual results (Canadian public sector accounting standards). The budget was prepared on a modified accrual basis, while Canadian public sector accounting standards require a full accrual basis. The budget expensed all tangible capital expenses rather than including amortization expense. In addition, the budget expensed principal debt repayment as well as reserve transfers. As a result, the budget figures presented in the statements of operations and accumulated surplus and changes in net debt represent the Financial Plan adopted by Council on June 13, 2023, with adjustments as follows:

Financial Plan (Budget) Bylaw surplus for the year	\$	-
Add:		
Capital expenses		155,000
Budgeted transfers to reserves		204,000
Debt repayment		128,223
Less:		
Budgeted transfers from reserves		(100,107)
Debt proceeds		(100,000)
		(200,107)
Budget surplus per statement of operations	\$	287,116

12. Trust Fund

The cemetery trust fund administered by the Township amounting to \$26,255 (2022 - \$24,627) has not been included in the statement of financial position nor has the operations been included in the statement of operations and accumulated surplus.

13. Financial Instrument Risk Management

Financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. At December 31, 2023, there are no significant differences between their carrying values and their estimated market values.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Township is exposed to credit risk through its cash, accounts and grants receivable and taxes receivable. The Township is subject to credit risk on the excess deposits over the amount not covered by the Canadian Deposit Insurance Corporation (CDIC). Credit risk arises on receivables over the collectibility of these balances.

The Corporation of the Township of Conmee Notes to Financial Statements

December 31, 2023

13. Financial Instrument Risk Management (cont'd)

The Township manages its credit risk by holding cash at federally regulated chartered banks with cash accounts insured up to \$100,000. Accounts and grants receivable largely consists of amounts due for Public Service Bodies' (PSB) rebates for HST paid on purchases and government funding where all eligibility criteria has been met. Amounts due from the Provincial and Federal governments are not considered high risk. The risk surrounding taxes receivable is minimized as the Township can put a property up for tax sale after it has been vested.

The Township's maximum exposure to credit risk at the financial statement date is the carrying value of its cash and receivables as presented on the statement of financial position.

There have not been any changes from the prior year in the Township's exposure to credit risk or the policies, procedures and methods it uses to manage and measure the 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 is exposed to liquidity risk through its accounts payable and accrued liabilities and long-term debt.

The Township manages its liquidity risk by monitoring cash activities and expected outflows through budgeting. Accounts payable are primarily due and settled within 30 days of receipt of an invoice. The contractual maturities of long-term debt are disclosed in Note #5.

There have not been any changes from the prior year in the Township's exposure to liquidity risk or the policies, procedures and methods it uses to manage and measure the risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Township is mainly exposed to interest rate risk. The Township does not feel it is exposed to currency or other price risk.

The Township's risk management strategies are described below.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Township is exposed to interest rate risk on its revolving demand line of credit which has a variable interest rate that fluctuates as the bank's prime lending rate increases or decreases.

The Township manages its interest rate risk by minimizing its use of the revolving demand line of credit as much as possible and obtaining fixed rate loans when needed to finance larger purchases.

The Corporation of the Township of Conmee Notes to Financial Statements

December 31, 2023

13. Financial Instrument Risk Management (cont'd)

There have not been any changes from the prior year in the Township's exposure to interest rate risk or the policies, procedures and methods it uses to manage and measure the risk.

14. Comparative Figures

Certain comparative figures have been reclassified to conform with current year financial statement presentation.

15. Segmented Information

The Corporation of the Township of Conmee provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

a) General Government

General government is comprised of various administrative services including general administration, finance, and the services of the Mayor and Council. Township office staff provide a variety of services for citizens plus provide support for other departments and programs. Assessment services, provided by Municipal Property Assessment Corporation, are responsible for providing services to both citizens and the Township.

b) Protection Services

Protection services include fire, police, 911 and building inspection. Services provided by Lakehead Region Conservation Authority are also included. The volunteer fire department is responsible for fire suppression, being the first response to emergencies in the Township, fire prevention programs and training and education related to prevention, detection or extinguishment of fires. It is responsible for staffing, training, and the maintenance of the fire halls, fleet, and personal protective and fire fighting equipment. Police services are contracted through the Ontario Provincial Police. Building inspections are completed to ensure compliance with building code and zoning requirements.

c) Transportation Services

Transportation services include roadway maintenance of the Township roadway systems, culverts, brushing, dust suppressant, flood and winter control that includes plowing and salt/sand application. Included in this segment is maintenance of all public works equipment and the garage.

The Corporation of the Township of Conmee Notes to Financial Statements

December 31, 2023

15. Segmented Information (cont'd)

d) Environmental Services

The Township provides waste disposal at a landfill site and includes recycling and landfill site operations and waste minimization programs.

e) Health Services

Health services include public health services and ambulance services. Public health services cover the Township's contribution to the activities to the Thunder Bay District Health Unit. The Thunder Bay District Health Unit provides health information and prevention-related clinical services; advocates for healthy public policy; investigates reportable diseases; and upholds regulations that apply to public health. This reporting segment also covers the operation and maintenance of the Conmee Cemetery.

f) Social and Family Services

Social and family services represent the Township's contribution to the activities of the District of Thunder Bay Social Services Administration Board ("TBDSSAB"). TBDSSAB is responsible for Ontario Works program delivery, child care services and social housing.

g) Recreational and Cultural Services

Recreation and cultural services include recreation facilities, operation and maintenance of the Municipal Complex and public library services. The Township provides for the development and maintenance of various recreational facilities. The public library services are contracted with the Oliver-Paipoonge Public Library Board and provides community access to local and global information resources that support lifelong learning, research and leisure activities.

h) Planning and Development

Planning and development manages rural development for business interest, environmental concerns, local community, and overall planning and community development including approval of all land development plans. The Township's contributions to the activities of the Lakehead Rural Planning Board are included in planning activities.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

**The Corporation of the Township of Conmee
Notes to Financial Statements**

December 31, 2023

15. Segmented Information (cont'd)

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	2023 Total
Revenue									
Taxation	\$ 1,040,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,040,916
Government transfers - operating	219,852	-	223,655	-	-	-	1,225	-	444,732
User fees and service charges	-	-	17,573	6,097	2,525	-	7,185	-	33,380
Investment income	32,851	-	-	-	-	-	-	-	32,851
Other revenues	69,633	27,508	-	25,392	-	-	6,257	-	128,790
	<u>1,363,252</u>	<u>27,508</u>	<u>241,228</u>	<u>31,489</u>	<u>2,525</u>	<u>-</u>	<u>14,667</u>	<u>-</u>	<u>1,680,669</u>
Expenses									
Salaries, wages and employee benefits	238,826	33,236	181,212	20,444	-	-	19,759	-	493,477
Interest on long-term debt	37,055	-	-	-	-	-	-	-	37,055
Materials and supplies	150,289	132,313	239,687	57,560	366	2,651	75,572	-	658,438
Contracted services	166,184	93,494	225	12,869	-	-	-	-	272,772
Financial	9,696	-	-	-	-	-	-	-	9,696
External transfers	-	3,691	-	-	99,252	88,012	1,225	250	192,430
Amortization	31,400	5,405	85,674	439	-	-	9,209	-	132,127
	<u>633,450</u>	<u>268,139</u>	<u>506,798</u>	<u>91,312</u>	<u>99,618</u>	<u>90,663</u>	<u>105,765</u>	<u>250</u>	<u>1,795,995</u>
Annual surplus (deficit) before undernoted item	729,802	(240,631)	(265,570)	(59,823)	(97,093)	(90,663)	(91,098)	(250)	(115,326)
Loss on disposal of tangible capital assets	(14,968)	-	8,916	-	-	-	-	-	(6,052)
Annual surplus (deficit)	<u>\$ 714,834</u>	<u>\$ (240,631)</u>	<u>\$ (256,654)</u>	<u>\$ (59,823)</u>	<u>\$ (97,093)</u>	<u>\$ (90,663)</u>	<u>\$ (91,098)</u>	<u>\$ (250)</u>	<u>\$ (121,378)</u>

**The Corporation of the Township of Conmee
Notes to Financial Statements**

December 31, 2023

15. Segmented Information (cont'd)

	General Government	Protection Services	Transportation Services	Environmenta l Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	2022 Total
Revenue									
Taxation	\$ 992,762	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	992,762
Government transfers - operating	264,136	-	276,803	-	-	10,233	1,225	-	552,397
User fees and service charges	-	-	-	5,066	85	-	3,950	-	9,101
Investment income	28,573	-	-	-	-	-	-	-	28,573
Other revenues	105,395	3,943	-	-	-	-	10,635	-	119,973
	<u>1,390,866</u>	<u>3,943</u>	<u>276,803</u>	<u>5,066</u>	<u>85</u>	<u>10,233</u>	<u>15,810</u>	<u>-</u>	<u>1,702,806</u>
Expenses									
Salaries, wages and employee benefits	298,285	23,444	156,611	16,800	-	-	6,124	-	501,264
Interest on long-term debt	32,667	-	-	-	-	-	-	-	32,667
Materials and supplies	127,337	67,666	305,008	28,813	245	-	68,360	-	597,429
Contracted services	64,786	117,568	-	8,700	-	-	28,190	-	219,244
Financial	7,918	-	-	-	-	-	-	-	7,918
External transfers	-	5,641	-	-	79,118	82,581	2,450	250	170,040
Amortization	68,297	6,581	69,421	439	-	-	5,242	-	149,980
	<u>599,290</u>	<u>220,900</u>	<u>531,040</u>	<u>54,752</u>	<u>79,363</u>	<u>82,581</u>	<u>110,366</u>	<u>250</u>	<u>1,678,542</u>
Annual surplus (deficit)	<u>\$ 791,576</u>	<u>\$ (216,957)</u>	<u>\$ (254,237)</u>	<u>\$ (49,686)</u>	<u>\$ (79,278)</u>	<u>\$ (72,348)</u>	<u>\$ (94,556)</u>	<u>\$ (250)</u>	<u>24,264</u>