

**Township of Cockburn Island
Consolidated Financial Statements
For the year ended December 31, 2023**

Township of Cockburn Island
Consolidated Financial Statements
For the year ended December 31, 2023

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Township of Cockburn Island Management's Responsibility for Financial Reporting

December 31, 2023

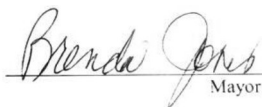
The accompanying consolidated financial statements of the Township of Cockburn Island and all the information in this annual report are the responsibility of management and have been approved by the Mayor and Treasurer on behalf of Council.

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

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

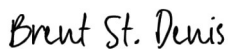
The municipal Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

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


Mayor

_____ Mayor

DocuSigned by:



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_____ Treasurer



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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of Township of Cockburn Island

Qualified Opinion

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

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2023, and its consolidated results of operations, its consolidated changes in net financial assets (debt) and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Effective April 1, 2022, 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 April 1, 2022. 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 Consolidated 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 opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the 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.

Independent Auditor's Report (continued)

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

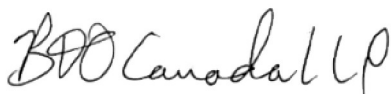
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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.
- 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.

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.



Chartered Professional Accountants, Licensed Public Accountants

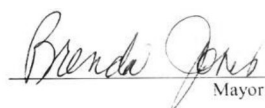
Sault Ste. Marie, Ontario
February 12, 2025

Township of Cockburn Island

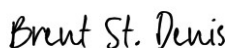
Consolidated Statement of Financial Position

December 31	2023	2022
Financial assets		
Cash	\$ 74,769	\$ 131,073
Taxes receivable	30,857	27,167
Accounts receivable	72,263	198,008
	<u>177,889</u>	<u>356,248</u>
Liabilities		
Accounts payable and accrued liabilities	19,934	205,154
Deferred revenue (Note 4)	20,954	20,954
Long-term debt (Note 12)	296,514	-
Accrued landfill closure and post-closure costs (Note 5)	70,400	181,700
	<u>407,802</u>	<u>407,808</u>
Net financial assets	<u>(229,913)</u>	<u>(51,560)</u>
Non-financial assets		
Tangible capital assets (Schedule 1)	2,542,164	2,166,772
Prepaid expenses and inventory of supplies	28,950	25,129
	<u>2,571,114</u>	<u>2,191,901</u>
Accumulated surplus (Note 7)	<u>\$ 2,341,201</u>	<u>\$ 2,140,341</u>

On behalf of the Council:


Mayor

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Mayor

Treasurer

Township of Cockburn Island Consolidated Statement of Operations

For the year ended December 31	Budget	2023	2022
Revenue			
Taxation (Note 3)	\$ 144,717	\$ 138,972	\$ 120,572
Government grants - Provincial	429,615	311,880	1,271,123
User fees and service charges	9,500	8,401	5,903
Licences, permits and rents	800	-	816
Donations	-	20,100	4,868
Investment income	6,000	13,991	11,811
Interest and penalties on taxes	1,500	1,427	1,824
Other	2,500	14,439	29,691
	<u>594,632</u>	<u>509,210</u>	<u>1,446,608</u>
Expenses			
General government	130,365	128,844	123,300
Protection services	22,480	32,823	64,669
Transportation services	195,691	207,221	144,884
Environmental services	1,500	(108,744)	143,527
Health services	25,750	17,671	16,094
Social, family and housing services	20,901	17,214	11,060
Recreation and cultural services	9,269	11,578	32,345
Planning and development	3,701	1,743	1,130
	<u>409,657</u>	<u>308,350</u>	<u>537,009</u>
Annual surplus	184,975	200,860	909,599
Accumulated surplus, beginning of year	<u>2,140,341</u>	<u>2,140,341</u>	<u>1,230,742</u>
Accumulated surplus, end of year	\$ 2,325,316	\$ 2,341,201	\$ 2,140,341

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

Township of Cockburn Island
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	Budget	2023	2022
Annual surplus	\$ 184,975	\$ 200,860	\$ 909,599
Acquisition of tangible capital assets	(149,181)	(464,816)	(1,273,722)
Amortization of tangible capital assets	-	89,424	79,258
Loss on disposal of tangible capital assets	-	-	98,471
Write-downs of tangible capital assets	-	-	4,000
Consumption of prepaid expenses and inventory of supplies	-	(3,821)	(4,957)
Net change in net debt	35,794	(178,353)	(187,351)
Net financial assets (debt), beginning of year	(51,560)	(51,560)	135,791
Net debt, end of year	\$ (15,766)	\$ (229,913)	\$ (51,560)

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

Township of Cockburn Island Consolidated Statement of Cash Flows

For the year ended December 31	2023	2022
Operating transactions		
Annual surplus	\$ 200,860	\$ 909,599
Items not involving cash		
Amortization	89,424	79,258
Loss on disposal of tangible capital assets	-	98,471
Unfunded landfill site costs	(111,300)	139,800
	<u>178,984</u>	1,227,128
Changes in non-cash operating balances		
Taxes receivable	(3,690)	(1,133)
Accounts receivable	125,745	(147,446)
Prepaid expenses and inventories of supplies	(3,821)	(4,957)
Accounts payable and accrued liabilities	(185,220)	150,464
Deferred revenue	-	(17,071)
	<u>111,998</u>	1,206,985
Capital transactions		
Acquisition of tangible capital assets	(464,816)	(1,269,722)
Financing activities		
Long term debt issuance	300,000	-
Long term debt repayment	(3,486)	-
	<u>296,514</u>	-
Net change in cash	(56,304)	(62,737)
Cash, beginning of year	131,073	193,810
Cash, end of year	\$ 74,769	\$ 131,073

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

Township of Cockburn Island

Notes to Consolidated Financial Statements

December 31, 2023

1. Significant accounting policies

The consolidated financial statements of the municipality have been prepared in accordance with Canadian public sector accounting standards.

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

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

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

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

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

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

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value. Portfolio investments are recorded at cost. A write down is recorded where there has been a loss in value that is other than a temporary decline.

Township of Cockburn Island

Notes to Consolidated Financial Statements

December 31, 2023

1. Significant accounting policies (continued)

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

Land improvements	20 years
Buildings and fencing	20 to 60 years
Furniture, equipment and machinery	10 to 30 years
Vehicles	10 to 30 years
Road infrastructure	60 years
Wharf infrastructure	30 to 40 years

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

Collection of taxes on Behalf of Other Taxation Authorities The municipality collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these other entities are not reflected in these consolidated financial statements.

Retirement Benefits and Other Employee Benefit Plans The municipality provides pension benefits to specified employees through the Ontario Municipal Employees Retirement Fund (OMERS) multi-employer plan. The municipality's contributions due during the period are expensed as incurred. The municipality provides other post-employment benefits. These costs accumulate over the period of service provided by employees and are determined by actuaries using the projected benefit method pro-rated on services and management's best estimate of salary escalation, retirement ages of employees and expected health care costs.

Township of Cockburn Island

Notes to Consolidated Financial Statements

December 31, 2023

1. Significant accounting policies (continued)

Trust Funds	Funds held in trust by the municipality and their related operations are not included in these consolidated financial statements. The financial activity and financial position of the trust funds are reported separately.
Deferred Revenue	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 consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.
Government Transfers	Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.
Revenue Recognition	Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts. Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable. Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made. Sales of service and other revenue is recognized on an accrual basis.
Solid waste landfills	The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used. Future events may result in significant changes to the estimated total expenses, capacity used, or total capacity and the estimated liability and would be recognized prospectively, as a change in estimate, when applicable.
Use of estimates	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.

Township of Cockburn Island

Notes to Consolidated Financial Statements

December 31, 2023

2. Change in accounting policy

On January 1, 2023, the Township adopted PS 3450 Financial instruments which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. This standard is required to be adopted prospectively. There were no unrealized gains and losses on investments for the year ended December 31, 2023, and therefore the new statement, the statement of measurement gains and losses, was not presented.

3. Taxation

	2023	2022
Residential and managed forests	\$ 155,338	\$ 135,496
Taxation from other governments	2,361	2,232
	157,699	137,728
Deduct: amounts received or receivable for school boards	(18,727)	(17,156)
	\$ 138,972	\$ 120,572

Approximately 46% (2022 - 51%) of total taxation was levied upon two ratepayers.

4. Deferred revenue

	2023	2022
Federal Gas Tax Revenues -Obligatory Reserve	\$ 2,454	\$ 2,454
Covid-19 Relief Grant	-	18,500
ORNGE Air Payments	3,500	-
Ontario Cannabis Legalization Implementation Fund	15,000	-
	\$ 20,954	\$ 20,954

5. Solid waste closure and post-closure liabilities

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the township's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities. The reported liability as at year end was \$70,400 (2022 - \$181,700) and reflects a discount rate of 3.4%.

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfill. The landfill is expected to reach its capacity in 13 years (2022 - 14 years) and the estimated remaining capacity is 20.0% (2022 - 21.5%) of the site's total capacity. The estimated length of time needed for post closure care is 20 years.

It is estimated that the total net present value of the closure and post-closure care is \$95,126 (2022 - \$240,830), of which \$70,400 (2022 - \$181,700) has been recognized to December 31, 2023.

Township of Cockburn Island

Notes to Consolidated Financial Statements

December 31, 2023

6. Pension agreements

OMERS provides pension services to more than 482,000 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 the invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2023. The results of this valuation disclosed total actuarial liabilities of \$136,185 million in respect of benefits accrued for service with actuarial assets at that date of \$131,983 million indicating an actuarial deficit of \$4,202 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS surplus or deficit.

The amount contributed to OMERS for 2023 was \$9,191 (2022 - \$8,746). for current service and is included as an expense on the statement of operations.

7. Accumulated surplus

	2023	2022
Reserves set aside for specific purposes by Council		
Reserves for operating purposes	\$ 140,823	\$ 140,823
Reserves for capital purposes	27,146	27,146
Contingencies and stabilization	12,600	12,600
	180,569	180,569
Equity in tangible capital assets	2,245,651	2,166,772
General surplus (deficit)	(14,619)	(25,300)
Unfunded landfill liabilities	(70,400)	(181,700)
	\$ 2,341,201	\$ 2,140,341

Allocation of annual surplus (deficit)

	2023	2022
Equity in tangible capital assets	\$ 78,879	\$ 1,091,993
General surplus (deficit)	10,681	(42,594)
Unfunded landfill liabilities	111,300	(139,800)
	\$ 200,860	\$ 909,599

8. Segmented information

The municipality is a diversified local government institution that provides a wide range of services to its citizens. For management reporting purposes, municipal operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

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

Township of Cockburn Island

Notes to Consolidated Financial Statements

December 31, 2023

8. Segmented information (continued)

General government

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

Protection

Protection is comprised of the police, fire/emergency, by-law enforcement and building inspections departments. The mandate of the police 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 service; fire prevention programs; training and education related to prevention, detection or extinguishments of fires. The by-law enforcement and building inspection department ensures properties are in compliance with applicable legislation, by-laws, building standards and construction codes.

Transportation

The transportation department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems as well as the harbour facility.

Environmental

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

Health

Through the Manitoulin-Sudbury District Services Board, the municipality contributes to ambulance services. It also maintains a Heli-pad for air ambulance. In addition, this department oversees the care and maintenance of municipal cemeteries.

Social, family and housing

Through the Manitoulin-Sudbury District Services Board, the municipality contributes to social assistance payments, child care services and social housing. Through the Manitoulin Centennial Manor, the municipality provides alternative residential services for seniors.

Recreation and cultural

The recreation and cultural department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and cultural facilities.

Planning

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

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

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

Township of Cockburn Island

Notes to Consolidated Financial Statements

December 31, 2023

9. Funds held in trust

Funds held in trust by the municipality for cemetery care and maintenance amounting to \$1,690 (2023 - \$1,690) are not included in these financial statements but are reported upon separately.

10. Budget

The Financial Plan (Budget) By-Law adopted by Council on March 28, 2023 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated no use of reserves and/or surpluses accumulated in previous years to increase current year revenues in excess of expenditures. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets (debt) include the following adjustments:

Financial Plan (Budget) Bylaw surplus for the year	\$ 35,794
Capital asset acquisitions	<u>149,181</u>
Budget surplus per statement of operations	<u><u>\$ 184,975</u></u>

11. Public Sector Salary Disclosure Act

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

12. Net long term debt

Net long term debt reported on the statement of financial position is comprised of the following:

	<u>2023</u>	<u>2022</u>
Ontario Infrastructure and Lands Corporation debenture, repayable \$6,949 quarterly including interest at 4.60%, due July 2038	\$ 296,514	\$ -
Less current portion	<u>14,352</u>	-
	<u>\$ 282,162</u>	<u>\$ -</u>

Principal payments due over the next five years and thereafter is as follows:

2024	\$ 14,352
2025	15,026
2026	15,732
2027	16,471
2028	17,245
Thereafter	<u>217,688</u>
	<u>\$ 296,514</u>

The municipality's outstanding debt repayment amounts are within the limits established by regulations under section 147 of the Municipal Act. The interest paid relating to the above long term debt was \$3,463 (2022- \$NIL).

Townsh
Schedule 1 - Consolidated

For the year ended December 31, 2023

	Land	Land Improve- ments	Buildings & Fencing	Furniture, Machinery & Equipment	Vehicles	Road Infra- structure	Wh In struct
Cost, beginning of year	\$ 112,662	\$ -	\$ 253,468	\$ 339,833	\$ 125,818	\$ 1,743,732	\$ 804,5
Additions	-	-	95,731	4,847	-	12,041	352,1
Disposals	-	-	(4,000)	-	-	-	-
Cost, end of year	112,662	-	345,199	344,680	125,818	1,755,773	1,156,7
Accumulated amortization, beginning of year	-	-	144,756	200,348	58,986	446,382	362,8
Amortization	-	-	6,484	15,489	6,596	29,724	31,1
Disposals	-	-	(4,000)	-	-	-	-
Accumulated amortization, end of year	-	-	147,240	215,837	65,582	476,106	393,9
Net carrying amount, end of year	\$ 112,662	\$ -	\$ 197,959	\$ 128,843	\$ 60,236	\$ 1,279,667	\$ 762,7

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

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

Townsh
Schedule 1 - Consolidated Tangible

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

	Land	Land Improve- ments	Buildings & Fencing	Furniture Machinery & Equipment	Vehicles	Road Infra- structure	WI In struct
Cost, beginning of year	\$ 112,662	\$ 10,000	\$ 257,468	\$ 335,833	\$ 125,818	\$ 474,010	\$ 804,5
Additions	-	-	-	4,000	-	1,269,722	
Disposals	-	(10,000)	(4,000)	-	-	-	
Cost, end of year	112,662	-	253,468	339,833	125,818	1,743,732	804,5
Accumulated amortization, beginning of year	-	8,500	142,510	181,656	52,389	408,486	340,4
Amortization	-	-	6,246	14,692	6,597	29,396	22,3
Disposals	-	-	(4,000)	-	-	-	
Write-downs	-	(8,500)	-	4,000	-	8,500	
Accumulated amortization, end of year	-	-	144,756	200,348	58,986	446,382	362,8
Net carrying amount, end of year	\$ 112,662	\$ -	\$ 108,712	\$ 139,485	\$ 66,832	\$ 1,297,350	\$ 441,7

The net book value of tangible capital assets not being amortized because they are under construction (or development or have not yet been placed in service) was \$NIL (2021 - \$88,471).

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

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

Township
Schedule 2 - Consolidated

For the year ended December 31, 2023

	General Government	Protection	Trans- portation	Environ- mental	Health	Social, Family & Housing	Recre- & Cu
Revenue							
Taxation	\$ 42,669	\$ 10,869	\$ 68,624	\$ 846	\$ 5,852	\$ 5,701	\$
Ontario grants	68,099	17,348	100,395	1,351	96,640	9,098	1
User fees and service charges	100	-	8,301	-	-	-	-
Investment income	13,991	-	-	-	-	-	-
Interest and penalties on taxes	1,427	-	-	-	-	-	-
Donations	-	-	-	-	-	-	2
Other	14,300	-	-	-	-	-	-
	140,586	28,217	177,320	2,197	102,492	14,799	4
Expenses							
Salaries and benefits	17,415	914	60,778	-	-	-	-
Materials and supplies	40,787	14,694	426	(111,300)	-	-	-
Contracted services	65,914	16,937	69,116	-	1,021	-	-
Rents and financial	4,728	-	-	-	-	-	-
External transfers	-	-	-	-	16,650	17,214	-
Amortization	-	278	76,901	2,556	-	-	-
	128,844	32,823	207,221	(108,744)	17,671	17,214	1
Excess (deficiency) of revenue over expenses	\$ 11,742	\$ (4,606)	\$ (29,901)	\$ 110,941	\$ 84,821	\$ (2,415)	\$ 3

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

Township of...
Schedule 2 - Consolidated Segments

For the year ended December 31, 2022

	General Government	Protection	Trans- portation	Environ- mental	Health	Social, Family & Housing	Rec & C
Revenue							
Taxation	\$ 39,750	\$ 10,759	\$ 45,686	\$ 2,127	\$ 5,498	\$ 3,778	\$ 1,000
Ontario grants	120,320	32,565	1,044,366	6,439	16,643	11,437	3,000
User fees and service charges	-	-	5,903	-	-	-	-
Licences, permits and rents	816	-	-	-	-	-	-
Investment income	11,811	-	-	-	-	-	-
Interest and penalties on taxes	1,824	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other	11,200	-	-	-	-	-	-
	185,721	43,324	1,095,955	8,566	22,141	15,215	7,000
Expenses							
Salaries and benefits	21,514	-	31,536	-	-	-	-
Materials and supplies	39,724	44,560	46,373	140,971	-	-	-
Contracted services	58,356	19,831	-	-	1,021	-	-
Rents and financial	3,706	-	-	-	-	-	-
External transfers	-	-	-	-	15,073	11,060	-
Amortization	-	278	66,975	2,556	-	-	-
	123,300	64,669	144,884	143,527	16,094	11,060	3,000
Excess (deficiency) of revenue over expenses	\$ 62,421	\$ (21,345)	\$ 951,071	\$ (134,961)	\$ 6,047	\$ 4,155	\$ 4,000

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

**Township of Cockburn Island
Care and Maintenance Trust Funds
Financial Statements
For the year ended December 31, 2023**

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
Township of Cockburn Island

Opinion

We have audited the financial statements of the Township of Cockburn Island Trust Funds (the Trust Funds), which comprise the statement of financial position as at December 31, 2023, and the statement of operations and trust balance for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2023, and the continuity thereof, in accordance with the basis of accounting as described in Note 1.

Basis of Opinion

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

Emphasis of Matter - Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist the Trust Funds to comply with the reporting requirements of the Bereavement Authority of Ontario. As a result, the financial statements may not be suitable for another purpose.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting as described in Note 1, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

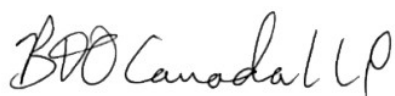
Independent Auditor's Report (continued)

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 Trust Funds's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Funds's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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.



Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
February 12, 2025

Township of Cockburn Island
Cemetery Care and Maintenance Trust Funds

Statement of Financial Position

December 31	2023	2022
Assets		
Current		
Due from Township of Cockburn Island	\$ 1,690	\$ 1,690
Liabilities and Fund Balance		
Trust Fund Balance	\$ 1,690	\$ 1,690

Statement of Operations and Trust Balance

For the year ended December 31	2023	2022
Revenue	\$ -	\$ -
Expenditures	-	-
Annual surplus	-	-
Trust Fund Balance, beginning of year	1,690	1,690
Trust Fund Balance, end of year	\$ 1,690	\$ 1,690

**Township of Cockburn Island
Cemetery Care and Maintenance Trust Funds
Notes to Financial Statements**

December 31, 2023

1. Significant accounting policies

Management's responsibility

The financial statements of Township of Cockburn Island Trust Fund are the representation of management and have been prepared in accordance with accrual based accounting principles. Precise determination of some assets and liabilities may be dependent upon future events, estimates and approximations. These estimates and approximations have been based upon the available information, using careful judgment and review.

Accrual basis of accounting

Sources of revenues and expenses are reported on the accrual basis of accounting.

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 receipts of goods or services and the creation of a legal obligation to pay.

2. Nature of Trust Fund

The Cemetery Care and Maintenance Trust Fund was established in accordance with the Cemeteries Act for the care and maintenance of certain cemetery grounds.

3. Statement of changes in cash flows

A statement of changes in cash flows has not been provided since the sources and uses of cash are readily apparent from the information included in the financial statements.