

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

Contents

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## Management's Responsibility for the Financial Statements

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The accompanying financial statements for the Corporation of the Township of Tarbutt (the "Township") are the responsibility of management of the Township and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principals for local governments established by the Public Sector Accounting Board. A summary of significant accounting policies are described in Note 1 of the financial statements. The preparation of the financial statements involves the use of estimates based on managements' judgement, including transactions in the current financial period relating to future periods.

Management maintains and monitors a system of internal controls which are designed to provide reasonable assurance that transactions are properly authorized and recorded in compliance with regulatory and legislative requirements, reliable financial information is available on a timely basis and assets are appropriately safeguarded.

Council is responsible to ensure management fulfills its responsibilities for financial reporting and ultimately responsible for reviewing and approving the financial statements.

These financial statements have been audited by Stefanizzi Professional Corporation in accordance with Canadian Auditing Standards on behalf of the inhabitants and ratepayers of the Township. The accompanying auditors' report outlines their responsibilities, the scope of the examination and the opinion on the Townships' financial statements.

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Lennox Smith - Mayor

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Carol Trainor - CAO/Clerk/Deputy Treasurer



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## Independent Auditors' Report

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To the Management of The Corporation of the Township of Tarbutt:

### Opinion

I have audited the financial statements of The Corporation of the Township of Tarbutt (the Township), which comprise the balance sheet as at December 31, 2023, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

### Basis for Opinion

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

### Emphasis of Matter - Comparative information

I draw attention to Note 2 of the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 2 explains the circumstances for the restatement and summarizes the adjustments which were applied to the year ended December 31, 2022. My opinion is not modified on this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the 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 Townships' 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 Townships' financial reporting process.

**Auditors' Responsibilities for the Audit of the Financial Statement**

My 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 auditors' report that includes my 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 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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.
- Obtaining 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 Townships' 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 Townships' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Township to cease 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.

I 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 I identify during our audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Stefanizzi Professional Corporation  
Chartered Professional Accountant, authorized to practice public accounting by  
The Chartered Professional Accountants of Ontario  
Sault Ste. Marie, Ontario  
October 25, 2024

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

<b>As at December 31,</b>	<b>2023</b>	<b>2022</b> Restated (Note 2)
<b>Financial Assets</b>		
Cash and cash equivalents (note 3)	\$ 664,133	\$ 577,794
Taxes receivable	278,437	197,163
Accounts receivable	156,294	174,567
Government remittances recoverable	24,828	70,962
	<u>1,123,692</u>	<u>1,020,486</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	100,410	113,440
Deferred revenue (note 4)	259,525	206,490
Asset Retirement Obligation (note 5)	34,141	33,132
Long-term debt (note 6)	102,726	152,950
	<u>496,802</u>	<u>506,012</u>
<b>Net financial assets</b>	<u>626,890</u>	<u>514,474</u>
<b>Non-financial assets</b>		
Tangible capital assets (schedule 1)	<u>2,550,424</u>	<u>2,659,519</u>
<b>Accumulated surplus</b> (note 7)	<u>\$ 3,177,314</u>	<u>\$ 3,173,994</u>

Approved on behalf of Management:

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 Lennox Smith - Mayor

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 Carol Trainor - CAO/Clerk/Deputy Treasurer

**The Corporation of the Township of Tarbutt**  
**Statement of Operations and Accumulated Surplus**

**Year ended December 31**, (with comparative figures for the prior year)

	<b>Budget (Unaudited) 2023</b>	<b>Actual 2023</b>	<b>Actual 2022 Restated (Note 2)</b>
<b>Revenues</b>			
Taxation (note 8)	\$ 1,244,870	\$ 1,102,853	\$ 1,044,450
Federal grants	37,444	1,899	25,271
Provincial grants	465,715	424,015	470,226
Other municipalities	119,885	102,364	143,751
Fees and user charges	99,800	111,107	140,477
Interest and other	49,260	67,597	32,178
	2,016,974	1,809,835	1,856,353
<b>Expenditures</b>			
<b>Current</b>			
General government	557,006	377,298	441,349
Protection	182,269	178,806	195,820
Transportation services	328,223	516,168	580,744
Environmental services	240,879	263,142	269,864
Health services	37,171	35,655	32,025
Social and family services	352,736	352,756	338,691
Recreation and cultural services	51,932	44,345	46,408
Planning and development	40,514	38,345	31,844
	1,790,730	1,806,515	1,936,745
<b>Annual surplus (deficit)</b>	226,244	3,320	(80,392)
<b>Accumulated surplus, beginning of year</b>	3,173,994	3,173,994	3,254,386
<b>Accumulated surplus, end of year</b>	\$ 3,400,238	\$ 3,177,314	\$ 3,173,994

**The Corporation of the Township of Tarbutt**  
**Statement of Change in Net Financial Assets**

**Year ended December 31**, (with comparative figures for the prior year)

	<b>Budget (Unaudited) 2023</b>	<b>Actual 2023</b>	<b>Actual 2022</b>
Annual surplus (deficit)	\$ 226,244	\$ 3,320	\$ (80,392)
Acquisition of tangible capital assets	(219,756)	(149,133)	(364,470)
Amortization of tangible capital assets	258,299	258,229	281,539
Adjustment for PSAS3280	-	-	(2,501)
<b>Net change in net financial assets</b>	264,787	112,416	(165,824)
<b>Net financial assets, beginning of year</b>	514,474	514,474	680,298
<b>Net financial assets, end of year</b>	\$ 779,261	\$ 626,890	\$ 514,474

**The Corporation of the Township of Tarbutt**  
**Statement of Cash Flow**

<b>For the year ended December 31,</b>	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used for):</b>		
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ 3,320	\$ (80,392)
<b>Changes in non-cash operating items:</b>		
Increase (decrease) in taxes receivable	(81,275)	26,447
Increase (decrease) in accounts receivable	64,408	(122,139)
Decrease in accounts payable	(13,030)	(26,578)
Increase in landfill post-closure costs	1,010	950
Increase in deferred revenue	53,037	41,897
	<u>27,470</u>	<u>(159,815)</u>
<b>Annual depreciation</b>	<u>258,229</u>	<u>281,539</u>
	285,699	121,724
<b>Capital transactions:</b>		
Capital additions	(149,133)	(364,470)
<b>Financing transactions:</b>		
Principal repayment on long-term debt	(50,227)	(49,028)
<b>Increase (decrease) in cash and cash equivalents for the year</b>	<u>86,339</u>	<u>(291,774)</u>
<b>Cash and cash equivalents, beginning of year</b>	577,794	869,568
<b>Cash and cash equivalents, end of year</b>	<u>\$ 664,133</u>	<u>\$ 577,794</u>
<b>Represented by:</b>		
Cash	\$ 376,910	\$ 136,853
Temporary investments	\$ 287,223	\$ 440,941



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# The Corporation of the Township of Tarbutt

## Notes to the Financial Statements

December 31, 2023

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The Corporation of the Township of Tarbutt ("the Municipality") is a municipality in the province of Ontario, Canada. The Municipality conducts its operations in accordance with the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

### 1. **Summary of significant account policies**

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#### **Non-consolidated entities**

These statements reflect the assets, liabilities, operating revenues and expenditures, reserve funds and reserves and tangible capital assets of The Corporation of the Township of Tarbutt. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of the financial affairs and resources of the Municipality.

All material inter-entity transactions and balances are eliminated on combination.

The following local boards, joint local boards and municipal enterprises are not consolidated:

Algoma District Services Administration Board  
Algoma Public Health

#### **Revenue recognition**

Revenues and expenditures are reported on the accrual basis of accounting. Expenditures are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due. Revenues are recognized as follows:

- a) Tax revenue is recognized in the calendar year to which the tax assessment applies and the assessment is known.
- b) Fines and donations are recognized when collected.
- c) Fees and user charges are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided.
- d) Interest income is recognized in the period in which it is earned.
- e) Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when funds are receivable.

#### **Deferred revenue**

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of financial activities in the year in which it is used for the specified purpose.

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# The Corporation of the Township of Tarbutt

## Notes to the Financial Statements

December 31, 2023

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### **Summary of significant account policies (continued)**

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#### **Reserves and reserve funds**

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

#### **Government transfers**

Government transfers include entitlements, transfers under shared cost agreements and grants. Revenue is recognized for unconditional entitlements and grants in the period received or receivable. Revenue is recognized for any conditional entitlements and grants in the period the associated expenditure is incurred. Revenue is recognized for transfers under shared service agreements in the period the costs are incurred.

#### **Contributed goods and services**

Goods and services contributed to the Township are recorded at their fair market value at the time of their occurrence.

#### **Cash and cash equivalents**

Cash and cash equivalents include bank deposits and short term guaranteed investment certificates that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

#### **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. Estimates include allowance for doubtful accounts, inventory obsolescence, environmental liabilities, useful life of capital assets, and accruals. Actual results could differ from management's best estimates as additional information becomes available in the future.

#### **Accounting for school board operations**

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements.

#### **Trust funds**

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and Statement of financial position.

#### **Basis of accounting**

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

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# The Corporation of the Township of Tarbutt

## Notes to the Financial Statements

December 31, 2023

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### **Summary of significant account policies (continued)**

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#### **Non-financial assets**

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

#### **Capital assets**

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

	<u>Useful Life - Years</u>
Buildings	20 - 40
Equipment	12 - 15
Infrastructure	10 - 50
Vehicle and machinery	5 - 20
Waste management land	35

In the year of acquisition, capital assets are amortized at one-half the above rates. Assets under construction are not amortized until the asset is available for productive use.

#### **(a) Contribution of tangible capital assets**

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

#### **(b) Interest capitalization**

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

#### **(c) Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

#### **(d) Threshold**

The Corporation of the Township of Tarbutt has a capitalization threshold of \$5,000 for all categories of tangible capital assets. Individual assets below the threshold are expensed, unless they are pooled, because collectively, they have significant value. The Municipality's threshold for pooled assets is \$5,000.

#### **Amounts to be recovered**

Amounts to be recovered are reported in the municipal position on the consolidated balance sheet. The balance represents future expenditures not yet levied on the ratepayers.

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# The Corporation of the Township of Tarbutt

## Notes to the Financial Statements

December 31, 2023

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### **Summary of significant account policies (continued)**

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#### **Budget figures**

Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. The approved operating budget and capital budgets are reflected on the Consolidated Statement of Operations and are unaudited. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. As well, the Township does not budget activity within Reserves and Reserve Funds, with the exception being those transactions, which affect either operations or capital investments.

#### **Asset Retirement Obligations**

The Township recognizes the fair value of asset retirement obligations ("ARO") when all of the following criteria have been met:

- (a) There is a legal obligation to incur retirement costs in relation to the underlying asset;
- (b) The past transaction of event giving rise to the liability has occurred;
- (c) It is expected that future economic benefits will be given up; and
- (d) A reasonable estimate of the amount can be made.

The liability for the closure and post-closure monitoring and maintenance relating to the landfill sites has been recognized based on estimated future expenses.

#### **Financial Instruments**

The township 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 Municipality subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities 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 statement of operations.

The Township's financial instruments measured at amortized cost consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, landfill site closure liability, and municipal long-term debt. Unless otherwise noted, it is management's opinion that the Township is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying value.

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# The Corporation of the Township of Tarbutt

## Notes to the Financial Statements

December 31, 2023

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### 2. Change in Accounting Policy - PSAB 3280 Asset Retirement Obligation

On January 1, 2022, the Township adopted PS3280 - Asset Retirement Obligations. The new standard addresses the reporting of legal obligations associated with the retirement of certain asset and replacement the existing standard PS 3270 Solid Waste Closure and Post-closure liability. The standard was adopted on the modified retrospective basis at the date of adoption..

In accordance with the new standard, the Township removed the landfill liability that has been recognized at December 31, 2022 and recognized an asset retirement obligation upon adoption of PS 3280 on January 1, 2022. The liability represents the required closure and post-closure care and monitoring of the landfill site jointly owned by the Township.

As at January 1, 2022, the adoption of this standard required the restatement of the following balances previously reported. The adjustments were as follows;

- Landfill obligation:
    - The removal of the previously stated landfill site closure liability of \$30,632 and recording of the asset retirement obligation of \$32,182.
  - Tangible capital assets:
    - An increase of \$32,182 to the corresponding asset for the landfill, including accumulated amortization of \$2,011.
  - Accumulated surplus:
    - An Increase to accumulated surplus of \$32,182.
- 

### 3. Cash and cash equivalents

	2023	2022
Unrestricted cash (deficit)	\$ 102,215	\$ (84,242)
Restricted cash - deferred revenue (note 4)	259,526	206,488
Restricted cash - landfill post-closure legislated fund	15,169	14,607
Restricted cash - Tarbutt reserve temporary investments	287,223	440,941
	<u>\$ 664,133</u>	<u>\$ 577,794</u>

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Temporary investments have a market value which approximates its book value. Interest rates on temporary investments range from 3.00-4.25% and all mature between August and December 2024.

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# The Corporation of the Township of Tarbutt

## Notes to the Financial Statements

December 31, 2023

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### 4. **Deferred revenue**

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A requirement of the public sector accounting principles of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as a provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds of the Township are summarized below:

	<b>2023</b>	<b>2022</b>
Canada Community Building Fund	\$ 241,507	\$ 197,785
Cash in lieu of parkland	3,605	3,605
Parkland dedication	14,414	5,099
	<b>\$ 259,526</b>	<b>\$ 206,489</b>

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### 5. **Asset Retirement Obligation**

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The Township jointly owns and operates one landfill site with the Township of Johnson. The balance sheet reflects a liability for anticipated future costs related to the closing and monitoring of the existing landfill site. As of the most recent report, the anticipated closure date is September 12, 2038 with 8,810 tonnes remaining. This liability represents the estimated total expenditures required for closure and post closure care. Where there was no internal information available, information was obtained from outside consultants and an actuary with experience with landfill construction. Once closed, this landfill site will be monitored for an estimated 10 years. A discount rate has been used that is equal to the rate available to the government long term borrowing rate. As at December 31, 2023, the landfill closure and post closure costs have been actuarially estimated to be \$34,141.

The estimated remaining capacity of the landfill site is 40% of its total estimated capacity and its estimated remaining life is indefinite as there is no longer any material added to the site.

The Township has estimated the total closure and post closure liability of \$50,705 for the landfill site.

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

**December 31, 2023**

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**6. Municipal long-term debt**

	<b>2023</b>	<b>2022</b>
Snow plow truck loan with interest at 1.5% per annum, repayable in equal semi-annual installments of \$26,165 including interest, secured by automotive and council borrowing bylaw. The loan matures on November 16, 2025.	\$ 102,726	\$ 152,950
Current portion	50,979	50,222
	<b>\$ 51,747</b>	<b>\$ 102,728</b>

Long-term debt principal repayments to be made during the next two years is approximately as follows:

2024	-	\$ 50,979
2025	-	\$ 51,747

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

**December 31, 2023**

**7. Accumulated surplus**

The accumulated surplus is comprised of the following:

	<b>2023</b>	<b>2022</b>
<b>Reserves set aside for specific purposes by Council:</b>		
General working capital	\$ 388,275	\$ 237,396
<b>Reserve funds set aside for specific purposes by Council:</b>		
Disposal site legislated fund	1,169	14,607
Cannabis funding	15,639	15,060
Culverts	8,511	8,192
Roads	61,410	59,110
Landfill working	6,034	5,833
Planning	2,347	2,269
Cemetery working capital	7,978	7,713
Administration	2,122	2,051
Legal fees	11,836	11,443
Fire	9,695	9,339
Emergency	2,653	2,564
MNR Fire	5,305	5,129
Culvert maintenance	21,702	28,603
Creek road bridge rebuild	3,149	3,033
Efficiency funding	38,932	47,383
Sand shed	10,600	10,217
COVID Grant	29,533	44,533
	<b>238,615</b>	<b>277,079</b>
<b>Total reserves and reserve funds</b>	<b>626,890</b>	<b>514,475</b>
<b>Invested in tangible capital assets</b>	<b>2,550,424</b>	<b>2,659,519</b>
<b>Accumulated surplus</b>	<b>\$ 3,177,314</b>	<b>\$ 3,173,994</b>

**8. Taxation**

	<b>2023</b>	<b>2022</b>
Taxation revenue	\$ 1,261,489	\$ 1,202,201
Less: Amount levied and remitted to school boards	158,636	157,751
	<b>\$ 1,102,853</b>	<b>\$ 1,044,450</b>



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# The Corporation of the Township of Tarbutt

## Notes to the Financial Statements

December 31, 2023

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### 9. Expenditures by object

	2023	2022
Salaries, wages and employee benefits	\$ 490,417	\$ 554,090
Materials	504,704	571,147
Contracted services	133,931	130,225
Rents and financial expenses	33,307	29,570
Amortization	258,229	281,538
Transfer payments	385,927	370,175
	<b>\$ 1,806,515</b>	<b>\$ 1,936,745</b>

### 10. Contributions to unconsolidated joint boards

The following contributions were made by the Township to these boards:

	2023	2022
Algoma District Service Administration Board	\$ 352,756	\$ 338,691
Algoma Public Health	23,171	21,484
	<b>\$ 375,927</b>	<b>\$ 360,175</b>

### 11. Pension agreements

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of seven members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed on behalf of Township employees in 2023 was \$30,079 (2022 - \$32,312). No pension liability for this type of plan is included in the municipality's financial statements.

### 12. Trust funds

Trust funds administered by the Township with net assets amounting to \$36,317 (2022 - \$35,332) have not been included in the "Balance Sheet" nor have their operations been included in the "Statement of Financial Activities".

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# The Corporation of the Township of Tarbutt

## Notes to the Financial Statements

December 31, 2023

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### 13. **Public Sector Salary Disclosure Act**

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No employee was paid an annual salary of \$100,000 or more as defined by the Public Sector Salary Disclosure Act, 1996.

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### 14. **Segmented Information**

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

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

#### **General government**

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

#### **Protection**

Protection is comprised of the police, fire/emergency, by-law enforcement and building inspections departments. The mandate of the police is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The fire/emergency department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or 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, winter control and street lighting.

#### **Environmental**

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

#### **Health**

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

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# The Corporation of the Township of Tarbutt

## Notes to the Financial Statements

December 31, 2023

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### **Segmented Information (continued)**

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#### **Social and family**

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

#### **Recreation and cultural**

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

#### **Planning**

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

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

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies.

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**The Corporation of the Township of Tarbutt  
Schedule of Tangible Capital Assets**

**Schedule 1**

**Year ended December 31, 2023**

	Cost				Accumulated Amortization				2023	2022
	2023 Opening Balance	Additions and Betterments	Disposals/ Transfers	2023 Closing Balance	2023 Opening Balance	2023 Amortization Expense	Accumulated Amortization on Disposals	2023 Ending Balance	Net Book Value	Net Book Value
Land	\$ 58,299	\$ -	\$ -	\$ 58,299	\$ -	\$ -	\$ -	\$ -	\$ 58,299	\$ 58,299
Buildings	1,011,007	-	-	1,011,007	361,135	19,274	-	380,409	630,598	649,871
Equipment	115,270	-	-	115,270	95,020	4,124	-	99,144	16,126	20,250
Infrastructure	5,940,060	149,133	-	6,089,193	4,510,811	190,396	-	4,701,207	1,387,986	1,429,249
Vehicle and machinery	787,710	-	-	787,710	390,231	39,269	-	429,500	358,210	397,479
Waste management land	142,572	-	-	142,572	38,201	5,166	-	43,367	99,205	104,371
	<b>\$ 8,054,918</b>	<b>\$ 149,133</b>	<b>\$ -</b>	<b>\$ 8,204,051</b>	<b>\$ 5,395,398</b>	<b>\$ 258,229</b>	<b>\$ -</b>	<b>\$ 5,653,627</b>	<b>\$ 2,550,424</b>	<b>\$ 2,659,519</b>

**The Corporation of the Township of Tarbutt**  
**Segment Disclosures - Service Bundle**

**Schedule 2**

**Year ended December 31, 2023**

	<b>General Government</b>	<b>Protection Services</b>	<b>Transportation Services</b>	<b>Environmental Services</b>	<b>Health Services</b>	<b>Social and Family Services</b>	<b>Recreation and Cultural Services</b>	<b>Planning and Development</b>	<b>Total</b>
<b>Expenditures</b>									
Salaries and wages	\$ 256,072	\$ 10,000	\$ 174,193	\$ 35,762	\$ -	\$ -	\$ 14,390	\$ -	\$ 490,417
Materials, good and supplies	98,419	53,255	118,220	207,326	2,484	-	25,000	-	504,704
Contracted & general services	14,962	98,912	-	13,819	-	-	-	6,238	133,931
Rents and financial	1,200	-	-	-	-	-	-	32,107	33,307
Amortization expenses	6,645	16,639	223,755	6,235	-	-	4,955	-	258,229
Other	-	-	-	-	33,171	352,756	-	-	385,927
	377,298	178,806	516,168	263,142	35,655	352,756	44,345	38,345	1,806,515
<b>Revenues</b>									
Taxation	230,334	109,159	315,114	160,645	21,767	215,353	27,072	23,409	1,102,853
User charges	29,317	273	3,442	58,027	-	-	19,548	500	111,107
External non-tax revenues	110,333	52,288	150,943	76,950	10,427	103,156	12,968	11,213	528,278
Other	14,116	6,691	19,316	9,846	1,334	13,200	1,659	1,435	67,597
	384,100	168,411	488,815	305,468	33,528	331,709	61,247	36,557	1,809,835
<b>Annual Surplus (Deficit)</b>	<b>\$ 6,802</b>	<b>\$ (10,395)</b>	<b>\$ (27,353)</b>	<b>\$ 42,326</b>	<b>\$ (2,127)</b>	<b>\$ (21,047)</b>	<b>\$ 16,902</b>	<b>\$ (1,788)</b>	<b>\$ 3,320</b>

**The Corporation of the Township of Tarbutt**  
**Segment Disclosures - Service Bundle**

Schedule 3

**Year ended December 31, 2022**

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total
<b>Expenditures</b>									
Salaries and wages	\$ 293,708	\$ 3,370	\$ 183,641	\$ 56,994	\$ -	\$ -	\$ 16,377	\$ -	\$ 554,090
Materials, good and supplies	125,133	69,271	153,430	201,087	541	-	21,685	-	571,147
Contracted & general services	15,046	106,540	-	5,548	-	-	-	3,091	130,225
Rents and financial	817	-	-	-	-	-	-	28,753	29,570
Amortization expenses	6,645	16,639	243,673	6,235	-	-	8,346	-	281,538
Other	-	-	-	-	31,484	338,691	-	-	370,175
	441,349	195,820	580,744	269,864	32,025	338,691	46,408	31,844	1,936,745
<b>Revenues</b>									
Taxation	238,011	105,602	313,184	145,533	17,270	182,650	25,027	17,173	1,044,450
User charges	37,458	265	6,833	45,777	-	-	28,019	-	118,352
External non-tax revenues	150,715	66,870	198,316	92,155	10,936	115,659	15,848	10,874	661,373
Other	7,333	3,253	9,649	4,484	532	5,627	771	529	32,178
	433,517	175,990	527,982	287,949	28,738	303,936	69,665	28,576	1,856,353
<b>Annual Surplus (Deficit)</b>	\$ (7,832)	\$ (19,830)	\$ (52,762)	\$ 18,085	\$ (3,287)	\$ (34,755)	\$ 23,257	\$ (3,268)	\$ (80,392)

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## Independent Auditors' Report

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To the Management of The Corporation of the Township of Tarbutt:

### Opinion

I have audited the financial statements of the Trust Funds of The Corporation of the Township of Tarbutt (the Trust), which comprise the balance sheet as at December 31, 2023, a statement of continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds of The Corporation of the Township of Tarbutt as at December 31, 2023, and the results of its operations in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

### Emphasis of Matter - Prior period restatement

I draw attention to Note 2 of the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 2 explains the circumstances for the restatement and summarizes the adjustments which were applied to the year ended December 31, 2022.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the 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'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 or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Trusts' financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statement

My 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 auditors' report that includes my 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 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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.
- Obtaining 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'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 managements' 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 Trusts' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause the Trust to cease 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Stefanizzi Professional Corporation  
Chartered Professional Accountant, authorized to practice public accounting  
Sault Ste. Marie, Ontario  
October 25, 2024



**The Corporation of the Township of Tarbutt**  
**Trust Funds**  
**Statement of Financial Position**

**As at December 31,**

	<b>Operating Account</b>	<b>Perpetual Care</b>	<b>Actual 2023</b>	<b>Actual 2022</b>
<b>Assets</b>				
Cash	\$ 7,855	\$ 29,382	\$ 37,237	\$ 34,199
Due from operating	-	6,382	6,382	1,133
	\$ 7,855	\$ 35,764	\$ 43,619	\$ 35,332
<b>Liabilities</b>				
Due to perpetual care	\$ 6,382	\$ -	\$ 6,382	\$ -
Due to Municipality	919	-	919	-
	7,301	-	7,301	-
<b>Fund balance</b>	554	35,764	36,318	35,332
	\$ 7,855	\$ 35,764	\$ 43,619	\$ 35,332

**The Corporation of the Township of Tarbutt**  
**Trust Funds**  
**Statement of Continuity**

**Year ended December 31**, (with comparative figures for the prior year)

	<b>Operating Account</b>	<b>Perpetual Care</b>	<b>Actual 2023</b>	<b>Actual 2022</b>
<b>Balance, beginning of year</b>	\$ 554	\$ 34,764	\$ 35,318	\$ 35,338
<b>Revenues</b>				
Interest earned	-	185	185	109
Perpetual care receipts	-	1,000	1,000	-
	-	1,185	1,185	109
<b>Expenditures</b>				
Contribution to Operating Account	-	185	185	106
Service charges	-	-	-	9
	-	185	185	115
<b>Balance, end of year</b>	\$ 554	\$ 35,764	\$ 36,318	\$ 35,332

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**The Corporation of the Township of Tarbutt**  
**Trust Funds**  
**Notes to Financial Statements**

**December 31, 2023**

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1. **Summary of significant account policies**

**Management responsibility**

The financial statements of The Corporation of the Township of Tarbutt Trust Funds are the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Chartered Professional Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations.

**Basis of accounting**

Revenue and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

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2. **Basis for restatement - prior period correction**

The December 31, 2022 balances have been restated to correct amounts recorded through the trust which are have not met the criteria as obligations of the trust. As such, an adjustment of \$11,452 has been made to the Due to Municipality and Trust Fund Balance line items.

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