

**CONSOLIDATED FINANCIAL REPORT**

**THE CORPORATION OF THE  
CITY OF TEMISKAMING SHORES**

**DISTRICT OF TIMISKAMING**

**DECEMBER 31, 2024**

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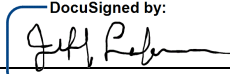
## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

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

The financial statements have been audited by Kemp Elliott & Blair LLP, independent external auditors appointed by the City of Temiskaming Shores. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the City of Temiskaming Shores' financial statements.

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Mayor  
Jeff Laferriere

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Treasurer  
Stephanie Leveille

## INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the City of Temiskaming Shores:

### Opinion

We have audited the consolidated financial statements of the Corporation of the City of Temiskaming Shores, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, change in net financial assets (net debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the City of Temiskaming Shores as at December 31, 2024, and the results of its operations, change in net financial assets (net debt) and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Corporation of the City of Temiskaming Shores 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 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 Corporation of the City of Temiskaming Shores' 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 Corporation of the City of Temiskaming Shores or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation of the City of Temiskaming Shores' financial reporting process.

### Auditors' Responsibilities for the Audit of the Consolidated 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation of the City of Temiskaming Shores' 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 Corporation of the City of Temiskaming Shores' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Corporation of the City of Temiskaming Shores 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.

*Kemp Elliott & Blair LLP*

New Liskeard, Ontario  
December 16, 2025

**Kemp Elliott & Blair LLP**  
Chartered Professional Accountants  
Licensed Public Accountants

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

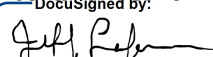
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**AS AT DECEMBER 31, 2024**

	2024	2023
<b>FINANCIAL ASSETS</b>		
Cash	\$ 2,963,230	\$ 3,236,123
Taxes receivable	2,205,937	1,606,844
Accounts receivable	2,723,489	1,958,772
Inventories for resale	1,965,081	2,042,118
	<u>9,857,737</u>	<u>8,843,857</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	3,185,695	3,764,982
Deferred revenue - other - note 7	554,344	805,849
Deferred revenue - obligatory reserve funds - note 8	-	-
Asset retirement obligations - note 9	8,148,315	8,556,820
Municipal debt - note 10	12,775,440	10,760,306
	<u>24,663,794</u>	<u>23,887,957</u>
Contingencies and commitments - note 12		
<b>NET DEBT</b>	(14,806,057)	(15,044,100)
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - note 15	93,320,006	93,879,872
Inventories of supplies	111,226	114,002
Prepaid expenses	1,117,817	835,335
	<u>94,549,049</u>	<u>94,829,209</u>
<b>ACCUMULATED SURPLUS - note 11</b>	\$ 79,742,992	\$ 79,785,109

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

On behalf of Council:

DocuSigned by:  
  
 Mayor BF288EE0EE2C4C5...

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 Treasurer CC13927942B...

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2024

	(Note 13) Budget 2024	Actual 2024	Actual 2023
<b>REVENUES</b>			
Municipal taxation	\$ 14,777,470	\$ 15,280,939	\$ 14,203,986
Water, sewer and waste diversion fees	5,659,649	5,804,906	5,566,813
Taxation from other governments	364,758	379,685	360,168
Provincial grants - operating	4,783,457	5,129,668	4,176,584
Provincial grants - capital	868,585	334,666	830,981
Federal grants - operating	993,000	806,545	1,030,800
Federal grants - capital	443,699	64,307	100,684
Federal gas tax	605,788	617,786	656,856
Charges to other municipalities	339,254	363,862	329,649
User charges	2,634,102	3,104,570	2,673,266
Investment income	129,292	221,287	338,644
Penalties and interest on taxes	175,000	285,253	253,240
Provincial Offences Act revenues	904,009	849,755	969,207
Other	685,740	902,929	568,657
Sale of land	(10,000)	32,885	(149,330)
Loss on disposal of tangible capital assets	-	30,135	11,213
Total revenues	33,353,803	34,209,178	31,921,418
<b>EXPENDITURES</b>			
General government	3,275,580	3,230,919	3,122,168
Protection to persons and property	4,114,036	4,341,818	4,657,707
Transportation services	7,100,535	8,420,992	7,889,167
Environmental services	7,341,577	8,538,008	7,660,523
Health services	2,073,880	2,006,949	2,077,100
Social and family services	1,123,078	991,901	1,121,205
Recreation and cultural services	4,608,472	4,343,325	3,992,484
Planning and development	2,039,686	2,377,383	1,940,980
Total expenditures	31,676,844	34,251,295	32,461,334
<b>ANNUAL SURPLUS (DEFICIT)</b>	1,676,959	(42,117)	(539,916)
Accumulated surplus, beginning of year	79,785,109	79,785,109	80,325,025
<b>ACCUMULATED SURPLUS, END OF YEAR - note 11</b>	\$ 81,462,068	\$ 79,742,992	\$ 79,785,109

The accompanying notes form an integral part of these financial statements

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

FOR THE YEAR ENDED DECEMBER 31, 2024

	(Note 13) Budget 2024	Actual 2024	Actual 2023
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 1,676,959	\$ (42,117)	\$ (539,916)
Acquisition of tangible capital assets	(6,936,312)	(4,453,052)	(8,138,465)
Amortization of tangible capital assets	3,138,225	4,935,349	4,552,890
Gain on disposal of tangible capital assets	-	(30,135)	(11,213)
Proceeds on sale of tangible capital assets	-	107,704	61,395
	<u>(3,798,087)</u>	<u>559,866</u>	<u>(3,535,393)</u>
Consumption (acquisition) of supplies inventories	-	2,776	(12,300)
Consumption (acquisition) of prepaid expenses	-	(282,482)	135,473
	<u>-</u>	<u>(279,706)</u>	<u>123,173</u>
<b>Decrease (increase) in net debt</b>	(2,121,128)	238,043	(3,952,136)
Net debt, beginning of year	<u>(15,044,100)</u>	<u>(15,044,100)</u>	<u>(11,091,964)</u>
<b>NET DEBT, END OF YEAR</b>	<u>\$ (17,165,228)</u>	<u>\$ (14,806,057)</u>	<u>\$ (15,044,100)</u>

The accompanying notes form an integral part of these financial statements



# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
<b>Operating activities</b>		
Annual deficit	\$ (42,117)	\$ (539,916)
Charges not affecting cash -		
Amortization	4,935,349	4,552,890
(Gain) loss on disposal of tangible capital assets	(30,135)	(11,213)
	<u>4,863,097</u>	<u>4,001,761</u>
Net change in non-cash working capital items -		
Taxes receivable	(599,093)	186,620
Accounts receivable	(764,717)	1,785,617
Inventories for resale	77,037	736,405
Inventories of supplies	2,776	(12,300)
Prepaid expenses	(282,482)	135,473
Accounts payable and accrued liabilities	(579,287)	(1,276,032)
Deferred revenue - other	(251,505)	280,395
Deferred revenue - obligatory reserve funds	-	-
Asset retirement obligations	(408,505)	233,065
	<u>(2,805,776)</u>	<u>2,069,243</u>
Cash provided by operating activities	<u>2,057,321</u>	<u>6,071,004</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	(4,453,052)	(8,138,465)
Proceeds on sale of tangible capital assets	107,704	61,395
Cash used for capital activities	<u>(4,345,348)</u>	<u>(8,077,070)</u>
<b>Financing activities</b>		
New debt issued	3,743,590	635,757
Debt repayments	(1,728,456)	(1,710,742)
Cash provided by (used for) financing activities	<u>2,015,134</u>	<u>(1,074,985)</u>
<b>Decrease in cash</b>	<u>(272,893)</u>	<u>(3,081,051)</u>
Cash, beginning of year	<u>3,236,123</u>	<u>6,317,174</u>
<b>Cash, end of year</b>	<u>\$ 2,963,230</u>	<u>\$ 3,236,123</u>
<b>Represented by</b>		
Cash	\$ 2,963,230	\$ 3,236,123
<b>Supplemental cash flow information</b>		
Interest paid	\$ 332,949	\$ 312,817

The accompanying notes form an integral part of these financial statements

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

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The Corporation of the City of Temiskaming Shores is a City in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act 2001, Provincial Offences Act and other related legislation.

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

The consolidated financial statements of the Corporation of the City of Temiskaming Shores are the representation of management and council prepared in accordance with generally accepted accounting principles for local government as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada as prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing.

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

These consolidated statements reflect the financial assets, liabilities, revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets and includes the activities of all committees of Council and the following boards, municipal enterprises and utilities which are under the control of Council:

Public Library Board	Cemetery Committee
Business Improvement Area	Police Services Board
Provincial Offences Act Office – Temiskaming Shores Development Corporation	

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

##### (ii) **Other Entities**

###### **Non-Consolidated**

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

###### **District of Timiskaming Social Services Administration Board**

###### **Timiskaming Health Unit**

Although these are joint local boards they run autonomously to provide those services mandated by the Province. The City has no control over these programs or their financing. These joint local boards are not proportionately consolidated. The yearly requisitions of these boards are expensed by the City in its statements (note 3).

###### **Consolidated**

###### **Tri Town Transit System**

This joint local board is a cooperative effort by two municipalities to jointly provide public transit services. The City recognizes the full cost of the operations as an expenditure and the other municipality's contribution as a revenue.

##### (iii) **Accounting for School Board Transactions**

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

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

Trust funds and their related operations administered by the City are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

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#### 1. Accounting Policies - continued

##### (b) (i) Revenue recognition

###### *Government transfers (provincial and federal grants)*

Government transfers are transfers from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. A transfer with eligibility criteria is recognized as revenue when the transfer is authorized and all eligibility criteria have been met. A transfer with or without eligibility criteria but with stipulation is recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except where and to the extent that the transfer gives rise to an obligation that meets the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

###### *Taxation and related revenues*

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC") with the authority established under the Municipal Act, 2001, the Assessment Act, the Education Act, and other legislation. Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the City is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded when they meet the definition of an asset, the tax is authorized and the taxable event has occurred. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known.

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

###### *Fees, service charges and other revenue*

Fees, service charges and other revenue are recognized when earned.

##### (ii) Cash and cash equivalents

Cash consists of balances held at financial institutions and all cash equivalents consist of highly liquid financial instruments.

##### (iii) Inventories

Inventory held for resale, consisting of surplus land, is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Inventories held for consumption are recorded at the lower of cost or replacement cost.

##### (iv) Tangible capital assets

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

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

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#### 1. (b) Accounting Policies - continued

##### (iv) Tangible capital assets - continued

Land improvements	20 to 30 years
Buildings	20 to 50 years
Machinery and equipment	10 to 30 years
Vehicles	5 to 15 years
Roads and sidewalks	15 to 30 years
Bridges and culverts	30 to 40 years
Water and sewer systems	30 to 50 years

Amortization is charged beginning in the month of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is in productive use.

The City has no capitalization threshold for land, a capitalization threshold of \$50,000 for appropriate pooled assets and \$5,000 for all other assets. Individual assets of lesser value may be capitalized if they are pooled, or because, collectively, they have significant value, or for operational purposes.

##### (v) Leases

Leases are classified as operating or capital leases. Leases that transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases and are recorded as a tangible capital asset and a liability. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

##### (vi) Deferred revenue - other

The City receives certain amounts pursuant to funding agreements that may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recorded as deferred revenue and are recognized as revenue in the fiscal year the eligibility criteria has been met except when stipulations are present and to the extent that the transfer gives rise to an obligation that meets the definition of a liability.

##### (vi) Deferred revenue - obligatory reserve funds

The City receives Gas Tax funding under the authority of Federal and Provincial legislation. These funds, by their nature, are restricted in their use and until applied to specific expenses, are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

##### (vii) Employee benefit plans

The contributions to a multi-employer, defined benefit pension plan are expensed when contributions are due. The contributions for post-employment benefits are expensed when contributions are due.

##### (viii) Use of estimates

Management has made estimates and assumptions that affect the amounts reported in preparing these financial statements. Significant areas requiring the use of management estimates relate to the determination of allowance for uncollectable taxes, tangible capital assets historical cost, estimated useful life and related amortization and landfill post-closure costs.

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 2. Financial Instruments

The City, as part of its operations, carries a number of financial instruments. It is management's opinion that the City is not exposed to significant interest, currency, liquidity, market, price or credit risks arising from these financial instruments except as otherwise disclosed.

##### *Credit risk*

Credit risk is the risk of financial loss because of a counter party to a financial instrument fails to discharge its contractual obligations. The City manages its credit risk by establishing an allowance for doubtful accounts based on factors surrounding the credit risk of specific accounts, historical trends and other information. The City has a significant number of customers and ratepayers which minimizes concentration of credit risk. Further, the City has available to it a tax registration process to recover unpaid municipal taxes by way of forced transfer of properties with

##### *Interest risk*

Interest risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the City manages exposure through its normal operating and financing activities. The City is exposed to interest rate risk primarily through its fixed rate loans and debentures.

##### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The City is exposed to this risk mainly in respect of its receipt of funds from its customers and ratepayers, and other related sources, and accounts payable. The City manages the liquidity risk resulting from its accounts payable by maintaining cash and investing in other liquid assets.

#### 3. Operations of School Boards

Further to note 1(a) (iii), net municipal taxation and taxation from governments levied in 2024 on behalf of and payable to school boards totalled \$2,996,244 (2023 \$2,689,942).

#### 4. Contributions to Joint Boards

Further to note 1(a)(ii), the following contributions were made by the City to these boards:

	2024	2023
<b>Unconsolidated</b>		
District of Timiskaming Social Services Administration Board	\$ 2,117,270	\$ 2,388,796
Timiskaming Health Unit	546,600	520,572
	<u>2,663,870</u>	<u>2,909,368</u>
<b>Consolidated</b>		
Tri-Town Transit System	<u>507,039</u>	<u>601,562</u>
	<u>\$ 3,170,909</u>	<u>\$ 3,510,930</u>

#### 5. Trust Funds

Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations.

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 6. Short term debt

The City has an operating line loan agreement with its financial institution. There is a \$4,000,000 Operating line credit limit with interest at Prime minus 0.25%; a \$2,000,000 Revolving term line/lease at Prime and a Visa Business Card authorized up to \$750,000. The operating line is utilized from time to time to cover temporary cash shortfalls that may occur during the year.

As at December 31, 2024, the outstanding balance of the operating line was \$nil (2023 \$nil).

#### 7. Deferred revenue - other

Deferred revenue, set aside for specific purposes by legislation, regulation or agreement as at December 31st is comprised of:

	December 31 2023	Funds Received	Revenue Earned	December 31 2024
Ontario Community Infrastructure Fund - Formula-based Component	\$ 470,902	\$ 726,449	\$ 1,191,765	\$ 5,586
Employment and Social Development Canada - Arena Project	81,575	-	-	81,575
Northern Ontario Resource Development Support Fund	65,729	232,218	13,893	284,054
FedNor - New Liskeard Arena Project	9,691	-	-	9,691
PDAC pre-registrations	161,980	162,810	161,980	162,810
Other	15,972	1,070	6,414	10,628
	<u>\$ 805,849</u>	<u>\$ 1,122,547</u>	<u>\$ 1,374,052</u>	<u>\$ 554,344</u>

Ontario Community Infrastructure Funds - Formula-based Component includes \$725,175 of funding plus \$1,274 interest.

Northern Ontario Resource Development Support Fund includes \$221,100 of funding plus \$11,118 interest.

#### 8. Deferred revenue - obligatory reserve funds

Deferred revenue – obligatory reserve funds consist of the following:

	December 31 2023	Funds Received	Revenue Earned	December 31 2024
Federal Gas Tax	\$ -	\$ 617,786	\$ 617,786	\$ -
Provincial Gas Tax	-	153,617	153,617	-
	<u>\$ -</u>	<u>\$ 771,403</u>	<u>\$ 771,403</u>	<u>\$ -</u>

Federal Gas Tax funds includes \$615,591 received from AMO plus \$2,195 interest.

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 9. Asset retirement obligations

	2024	2023
Balance, beginning of period	\$ 8,556,820	\$ 8,323,755
Current year reclamation costs	(630,442)	-
Accretion expense	221,937	233,065
Balance, end of year	\$ 8,148,315	\$ 8,556,820

The asset retirement obligation at year end is as follows:

	2024	2023
Landfill	\$ 3,264,553	\$ 3,806,077
Hazardous material removal	4,429,176	4,308,539
Gravel pit	243,547	236,913
Water well and pumphouse	211,039	205,291
	\$ 8,148,315	\$ 8,556,820

#### Landfill

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

The reported liability is based on estimates and assumptions with respect to events extending over the estimated remaining useful life using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The City has two landfill sites, one of which is closed and requires continued post-closure monitoring activities. The total capacity of the active site is 247,000 cubic metres, is expected to reach capacity in 2048, and currently has an estimated remaining capacity of 234,650 cubic metres. Post-closure care is estimated to be required for 25 years from the date of site closure.

#### Hazardous material removal

The City owns buildings which contain hazardous materials, and therefore, the City is legally required to perform abatement activities upon renovation or demolition of these assets. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Assumptions were made regarding the remaining useful life of the building that contains hazardous materials in order to estimate when the costs of rehabilitation would be incurred.

#### Gravel pit

The City owns a gravel pit for which the City has a legal obligation under the Aggregate Resources Act to perform rehabilitation activities upon the gravel pit site when it is no longer in productive use. Assumptions were made regarding the remaining useful life of the gravel pit in order to estimate when the costs of rehabilitation would be incurred.

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 9. Asset retirement obligations - continued

##### Water well and pumphouse

The City owns water wells and pumphouses which represent an environmental hazard upon removal and decommissioning and there are legal obligations regarding how they must be removed. Assumptions were used to quantify unit time for the summation of service costs.

#### 10. Municipal debt

The balance of the municipal debt reported on the Statement of Financial Position is made up of the following:

	2024	2023
<u>Loans and debentures</u>		
Canada Mortgage and Housing Corporation (CMHC) debenture, repayable in annual payments of \$107,411.34 including interest at 3.97%, maturing December 2024.	\$ -	\$ 103,310
Canada Mortgage and Housing Corporation (CMHC) debenture, repayable in annual payments of \$87,381.73 including interest at 3.59%, maturing December 2025.	84,354	165,784
Canada Mortgage and Housing Corporation (CMHC) debenture, repayable in annual payments of \$28,748.50 including interest at 3.42%, maturing September 2025.	27,798	54,676
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in monthly payments of \$8,791.67 principal plus interest at 2.46%, maturing December 2026.	211,000	316,500
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$13,545.15 principal plus interest at 2.95%, maturing October 2027.	162,542	216,722
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in semi-annual payments of \$38,565.31 principal plus interest at 2.44%, maturing April 2025.	38,565	115,696
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$54,551.85 principal plus interest at 3.43%, maturing November 2037.	2,836,696	3,054,904
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$10,484.92 principal plus interest at 2.97%, maturing November 2027.	125,819	167,759
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in semi-annual payments of \$27,450.00 principal plus interest at 3.04%, maturing April 2028.	192,150	247,050
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in semi-annual payments of \$29,163.51 principal plus interest at 3.03%, maturing August 2028.	233,308	291,635



# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

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#### 10. Municipal debt - continued

Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$10,550.00 principal plus interest at 2.98%, maturing February 2029.	179,350	221,550
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$12,313.03 principal plus interest at 2.17%, maturing September 2029.	233,947	283,199
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$21,187.50 principal plus interest at 2.02%, maturing December 2040.	1,356,000	1,440,750
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$92,800.67 principal plus interest at 2.00%, maturing May 2031.	2,412,818	2,784,020
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$5,747.51 principal plus interest at 2.16%, maturing November 2031.	160,930	183,920
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$29,817.12 principal plus interest at 4.62%, maturing November 2027.	357,805	477,074
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$31,787.84 principal plus interest at 4.72%, maturing December 2028.	508,605	635,757
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$13,065.79 principal plus interest at 4.35%, maturing April 2034.	496,500	-
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$15,341.78 principal plus interest at 4.48%, maturing April 2039.	889,823	-
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$16,510.76 principal plus interest at 4.36%, maturing April 2029.	297,194	-
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$17,395.45 principal plus interest at 4.21%, maturing November 2039.	1,043,727	-
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$9,066.82 principal plus interest at 4.21%, maturing November 2039.	544,009	-

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 10. Municipal debt - continued

Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$9,562.56 principal plus interest at 3.9%, maturing November 2034.

	382,500	-
Total loans and debentures and total municipal debt	<u>\$ 12,775,440</u>	<u>\$ 10,760,306</u>

Principal repayments due in the next five years are as follows:

	From General Municipal Revenues Loans
2025	\$ 1,824,359
2026	1,673,642
2027	1,568,142
2028	1,325,303
2029	1,035,390
Thereafter	<u>5,348,604</u>
	<u>\$ 12,775,440</u>

The long term liabilities were approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs.

In 2024, interest expense of \$332,949 (2023 \$312,817) has been reflected in the Consolidated Statement of Operations

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 11. Accumulated surplus

The accumulated surplus is made up of the following:

	2024	2023
Reserves, surpluses and deficits		
Working capital reserve - general	\$ 4,681,028	\$ 6,018,034
Working capital reserve - environmental	137,161	309,855
Working capital reserve - business improvement area	36,386	53,978
Election expenses reserve	15,000	7,500
Fire equipment reserve	26,359	3
SWDF reserve	70,770	89,955
Doctor recruitment reserve	92,838	64,647
Medical centre reserve	26,653	29,471
Accessibility reserve	27,844	8,021
Fleet replacement reserve	-	164,279
Transit reserve	29,936	141,534
PDAC reserve	110,012	116,630
Economic development reserve	314,400	725,559
Community development reserve	255,232	153,707
Solid waste landfill reserve fund	293,879	135,991
Amounts to be recovered - asset retirement obligations	(8,148,315)	(8,556,820)
Amounts to be recovered - long-term debt	(12,775,440)	(10,760,306)
General municipal surplus	200	200
Unfinanced capital outlay	-	(3,746,338)
	<u>(14,806,057)</u>	<u>(15,044,100)</u>
Non-financial assets		
Tangible capital assets	93,320,006	93,879,872
Inventories of supplies	111,226	114,002
Prepaid expenses	1,117,817	835,335
	<u>94,549,049</u>	<u>94,829,209</u>
	<u>\$ 79,742,992</u>	<u>\$ 79,785,109</u>

Reserves represent an appropriation of surplus for a specific purpose, determined by council, are non-statutory and subject to change by council at any time.

#### 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 expenditures, provides the Change in Net Financial Assets (Net Debt) for the year.

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 12. Contingent liabilities and commitments

##### Non-Consolidated Entities

The City is contingently liable for the deficits and long term debt of the non consolidated entities.

##### Ontario Municipal Employees Retirement Fund

All permanent, full-time employees of the City are eligible to be members of the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The City's contributions equal the employee contributions to the plan. During the year ended December 31, 2024, the City contributed \$445,538 (2023 \$420,662) to the plan. As this is a multi-employer pension plan, the contributions by the City are recognized as an expenditure. No pension liability for this type of plan is recognized in the City's financial statements. As of December 31, 2024, OMERS had a funding deficit of \$2.9 billion (2023 \$4.2 billion) and Net Assets Available for Benefits of \$138.4 billion (2023 \$128.8 billion).

##### Post-Employment Benefits

City employees retiring do not receive any retirement allowance that either vests or accrues over the period of employment. Sick benefits, other than amounts that were carried over on amalgamation, do not accrue and are not vested. The City recognizes the expense for sick time when the event obliges the City to pay. No other post employment benefits are payable by the City.

##### Loan Guarantee

The City has guaranteed a loan of \$2,305,959 with TD Bank for Temiskaming Shores Seniors Housing Corporation (TSSHC). As of December 31, 2024, the outstanding balance on the loan was \$2,120,773 (2023 \$2,173,423).

#### 12. Contingent liabilities and commitments - continued

##### Legal contingencies

The City is subject to various litigation and claims arising in the normal course of its operations. The final outcome of the outstanding claims cannot be determined at this time. However, management believes that the ultimate disposition of these matters will not materially exceed the amounts recorded in the accounts and would be covered by their insurance, less any deductible. Any amendments to amounts accrued will be recorded once new information becomes available.

#### 13. Budgeting

The City budgets to determine an appropriate tax rate based on all budgeted revenues, including proceeds on long-term debt, and all expenditures, including debt principal payments and the acquisition of tangible capital assets, but does not include amortization. The City reconciles this tax levy budget to the budget in accordance with Public Sector Accounting Standards.

	2024
Tax levy budget deficit for the year - as below	\$ (236,087)
Add: Capital expenditures	6,936,312
Debt repayments	1,861,297
Less: Amortization	(3,138,225)
New debt issued	(3,746,338)
	<u>\$ 1,676,959</u>
Budget surplus per Consolidated Statement of Operations	<u>\$ 1,676,959</u>

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 13. Budgeting - continued

	Budget 2024	Actual 2024	Actual 2023
<b>REVENUES</b>			
Operating			
Municipal taxation	\$ 14,777,470	\$ 15,280,939	\$ 14,203,986
Water, sewer and waste diversion fees	5,659,649	5,804,906	5,566,813
Taxation from other governments	364,758	379,685	360,168
Provincial grants	4,783,457	5,129,668	4,176,584
Federal grants	993,000	806,545	1,030,800
Federal gas tax	-	9,802	-
Charges to other municipalities	339,254	363,862	329,649
User charges	2,634,102	3,104,570	2,673,266
Investment income	129,292	221,287	338,644
Penalties and interest on taxes	175,000	285,253	253,240
Provincial Offences Act revenues	904,009	849,755	969,207
Other	541,240	861,279	506,305
Sale of land	(10,000)	32,885	(149,330)
Proceeds on disposal of tangible capital assets	-	107,704	61,395
	<u>31,291,231</u>	<u>33,238,140</u>	<u>30,320,727</u>
Capital			
Provincial grants	868,585	334,666	830,981
Federal grants	443,699	64,307	100,684
Federal gas tax	605,788	607,984	656,856
Other	144,500	41,650	62,352
	<u>2,062,572</u>	<u>1,048,607</u>	<u>1,650,873</u>
New debt issued	3,746,338	3,743,590	635,757
Total revenues	<u>37,100,141</u>	<u>38,030,337</u>	<u>32,607,357</u>
<b>EXPENDITURES</b>			
Operating			
General government	3,176,482	3,372,349	2,842,925
Protection to persons and property	3,969,700	4,102,897	4,448,306
Transportation services	5,701,466	6,230,093	5,871,720
Environmental services	6,322,585	6,943,864	6,182,185
Health services	2,066,073	1,995,663	2,065,773
Social and family services	1,123,078	991,901	1,121,205
Recreation and cultural services	4,139,549	3,581,502	3,312,177
Planning and development	2,039,686	2,377,383	1,940,980
	<u>28,538,619</u>	<u>29,595,652</u>	<u>27,785,271</u>
Capital expenditures	6,936,312	4,453,052	8,138,465
Long term debt repayments	1,861,297	1,728,456	1,710,742
Total expenditures	<u>37,336,228</u>	<u>35,777,160</u>	<u>37,634,478</u>
<b>Surplus (deficit), tax levy budget base</b>	<u>\$ (236,087)</u>	<u>\$ 2,253,177</u>	<u>\$ (5,027,121)</u>
<b>Financed by</b>			
Transfer from (to) reserves	\$ 236,087	\$ 1,901,666	\$ 2,594,605
Deficit (surplus)	1,885,041	(2,139,709)	1,357,531
Net debt repayments (proceeds)	(1,885,041)	(2,015,134)	1,074,985
	<u>\$ 236,087</u>	<u>\$ (2,253,177)</u>	<u>\$ 5,027,121</u>

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

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#### 14. Segmented information

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

Municipal services are provided by departments and their activities are reported in these service areas. Departments disclosed in the segmented information, along with the services they provide, are as follows:

#### **General Government Services**

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

#### **Protection Services**

Police services, including the enforcement of laws, prevention of crime and maintenance of peace, order, and security, are provided to the City by agreement with the Ontario Provincial Police. Fire protection services are provided by way of a volunteer Fire Department, which provides fire suppression, fire prevention and education programs to residents. The City also enforces By-laws and offers dog control and property standards enforcement.

#### **Transportation Services**

The Public Works department is responsible for the delivery of municipal public works services related to planning, design, construction, cleaning, repair, snow removal and signage of roadway systems, as well as maintaining all Municipal vehicles and equipment.

#### **Environmental Services**

The environmental services include water and sewer services as well as waste disposal and waste diversion services. Water and sewer services include the operation and distribution of water and networking sewer mains, storm sewers and pump stations.

The waste disposal and waste diversion services group are responsible for the delivery of municipal services including waste collection and disposal and waste diversion.

#### **Health Services**

The City funds a range of public health services through the Health Unit and provides ambulance services through the District of Timiskaming Social Services Administration Board. The City also provides cemetery services.

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

The services are provided indirectly by the City through the District Social Services Administration Board and includes general assistance, childcare and social housing services.

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

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

#### **Planning and Development**

The Planning and Development Department is responsible for preparing land use plans, bylaws and policies for sustainable development of the City and for reviewing and approving new development, as well as maintaining drainage systems.

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 14. Segmented information - continued

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total 2024	Total 2023
<b>REVENUES</b>										
Operating revenues										
Municipal taxation	\$ 15,280,939	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,280,939	\$ 14,203,986
Water, sewer and waste diversion fees	-	-	-	5,804,906	-	-	-	-	5,804,906	5,566,813
Taxation from other governments	379,685	-	-	-	-	-	-	-	379,685	360,168
Provincial grants - operating	3,391,600	76,828	1,118,016	358,027	-	3,816	29,753	151,628	5,129,668	4,176,584
Provincial grants - capital	-	20,000	294,843	-	-	-	19,823	-	334,666	830,981
Federal grants - operating	-	-	-	-	-	-	-	806,545	806,545	1,030,800
Federal grants - capital	-	-	64,307	-	-	-	-	-	64,307	100,684
Federal gas tax	-	-	607,984	-	-	-	-	9,802	617,786	656,856
Charges to other municipalities	17,985	127,547	79,540	97,177	-	-	39,113	2,500	363,862	329,649
User charges	107,141	344,416	470,031	836,065	194,404	-	1,041,481	111,032	3,104,570	2,673,266
Investment income	197,927	7,370	-	-	15,990	-	-	-	221,287	338,644
Penalties and interest on taxes	285,253	-	-	-	-	-	-	-	285,253	253,240
Provincial Offences Act revenues	-	849,755	-	-	-	-	-	-	849,755	969,207
Other	-	18,021	20,010	211,239	607	8,330	279,606	365,116	902,929	568,657
Sale of land	-	-	-	-	-	-	-	32,885	32,885	(149,330)
Gain (loss) on disposal of tangible capital assets	(4,442)	82,016	(47,783)	-	-	-	344	-	30,135	11,213
Total revenues	19,656,088	1,525,953	2,606,948	7,307,414	211,001	12,146	1,410,120	1,479,508	34,209,178	31,921,418
<b>EXPENDITURES</b>										
Wages and benefits	1,478,922	787,044	1,783,732	717,945	101,264	-	2,160,927	169,270	7,199,104	6,932,773
Long term interest	-	21,169	126,066	157,175	-	-	28,539	-	332,949	312,817
Materials	1,085,810	224,708	2,936,126	2,788,753	124,486	-	1,101,079	1,955,567	10,216,529	9,290,524
Contracted services	501,019	2,846,692	1,202,922	3,177,481	84,308	-	198,964	252,546	8,263,932	7,697,471
Rents and financial expenses	24,116	29,730	184,023	102,510	13,635	-	91,993	-	446,007	451,786
External transfers	-	193,554	-	-	1,671,970	991,901	-	-	2,857,425	3,223,073
Amortization	141,052	238,921	2,188,123	1,594,144	11,286	-	761,823	-	4,935,349	4,552,890
Total expenditures	3,230,919	4,341,818	8,420,992	8,538,008	2,006,949	991,901	4,343,325	2,377,383	34,251,295	32,461,334
<b>Annual surplus (deficit)</b>	<b>\$ 16,425,169</b>	<b>\$ (2,815,865)</b>	<b>\$ (5,814,044)</b>	<b>\$ (1,230,594)</b>	<b>\$ (1,795,948)</b>	<b>\$ (979,755)</b>	<b>\$ (2,933,205)</b>	<b>\$ (897,875)</b>	<b>\$ (42,117)</b>	<b>\$ (539,916)</b>

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 15. Schedule of tangible capital assets

	Opening Cost Dec 31, 2023	Additions	Disposals	Ending Cost Dec 31, 2023	Opening Accumulated Amortization Dec 31, 2022	Current Amortization	Disposals	Ending Accumulated Amortization Dec 31, 2023	Net Dec 31, 2023
General									
Land	\$ 1,253,817	\$ -	\$ 7,501	\$ 1,246,316	\$ -	\$ -	\$ -	\$ -	\$ 1,246,316
Land improvements	14,190,584	349,338	-	14,539,922	6,399,949	439,311	-	6,839,260	7,700,662
Buildings	27,960,442	222,288	15,547	28,167,183	10,143,751	568,694	15,547	10,696,898	17,470,285
Machinery and equipment	6,806,022	370,565	65,693	7,110,894	3,599,602	422,001	65,693	3,955,910	3,154,984
Vehicles	8,563,674	491,028	508,528	8,546,174	5,458,078	665,553	438,460	5,685,171	2,861,003
Construction in progress	58,769	71,102		129,871	-	-	-	-	129,871
Infrastructure									
Roads and sidewalks	34,050,216	3,527,915	203,332	37,374,799	21,528,252	1,317,807	203,332	22,642,727	14,732,072
Bridges and culverts	9,275,308	199,827	-	9,475,135	6,967,700	105,497	-	7,073,197	2,401,938
Water and sewer systems	67,205,885	3,129,491	-	70,335,376	26,110,505	1,416,486	-	27,526,991	42,808,385
Construction in progress	4,722,992	45,790	3,954,292	814,490	-	-	-	-	814,490
<b>Total</b>	<b>\$ 174,087,709</b>	<b>\$ 8,407,344</b>	<b>\$ 4,754,893</b>	<b>\$ 177,740,160</b>	<b>\$ 80,207,837</b>	<b>\$ 4,935,349</b>	<b>\$ 723,032</b>	<b>\$84,420,154</b>	<b>\$ 93,320,006</b>



# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 15. Schedule of tangible capital assets - continued

	Opening Cost Dec 31, 2022	Additions	Disposals	Ending Cost Dec 31, 2023	Opening Accumulated Amortization Dec 31, 2022	Current Amortization	Disposals	Ending Accumulated Amortization Dec 31, 2023	Net Dec 31, 2023
General									
Land	\$ 1,253,817	\$ -	\$ -	\$ 1,253,817	\$ -	\$ -	\$ -	\$ -	\$ 1,253,817
Land improvements	10,222,606	3,967,978	-	14,190,584	6,029,859	370,090	-	6,399,949	7,790,635
Buildings	24,184,520	3,837,622	61,700	27,960,442	9,637,314	517,955	11,518	10,143,751	17,816,691
Machinery and equipment	5,944,975	1,002,176	141,129	6,806,022	3,384,413	356,318	141,129	3,599,602	3,206,420
Vehicles	8,757,490	24,580	218,396	8,563,674	4,986,555	689,919	218,396	5,458,078	3,105,596
Construction in progress	6,696,473	-	6,637,704	58,769	-	-	-	-	58,769
Infrastructure									
Roads and sidewalks	32,345,045	1,809,970	104,799	34,050,216	20,475,916	1,157,135	104,799	21,528,252	12,521,964
Bridges and culverts	9,128,154	147,154	-	9,275,308	6,866,707	100,993	-	6,967,700	2,307,608
Water and sewer systems	66,352,142	853,743	-	67,205,885	24,750,025	1,360,480	-	26,110,505	41,095,380
Construction in progress	1,590,046	4,038,793	905,847	4,722,992	-	-	-	-	4,722,992
<b>Total</b>	<b>\$ 166,475,268</b>	<b>\$ 15,682,016</b>	<b>\$ 8,069,575</b>	<b>\$ 174,087,709</b>	<b>\$ 76,130,789</b>	<b>\$ 4,552,890</b>	<b>\$ 475,842</b>	<b>\$80,207,837</b>	<b>\$ 93,879,872</b>

## **Compilation Engagement Report**

To the Members of Council, Inhabitants  
and Ratepayers of the Corporation  
of the CITY OF TEMISKAMING SHORES:

On the basis of information provided by management, we have compiled the Statement of Financial Position of the Trust Funds of the Corporation of the City of Temiskaming Shores as at December 31, 2024 and the Statement of Continuity for the year then ended and note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

*Kemp Elliott & Blair LLP*

New Liskeard, Ontario  
December 16, 2025

**Kemp Elliott & Blair LLP**  
Chartered Professional Accountants  
Licensed Public Accountants

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## TRUST FUNDS

### STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

	Cemetery Care and Maintenance	Library May Ball	2024 Total	2023 Total
<b>FINANCIAL ASSETS</b>				
Cash	\$ -	\$ 5,160	\$ 5,160	\$ 5,196
Investments - note 2	341,215	268,952	610,167	570,981
Due from City	-	-	-	185
	\$ 341,215	\$ 274,112	\$ 615,327	\$ 576,362
<b>LIABILITIES AND FUND EQUITY</b>				
Due to City	\$ 10,502	\$ -	\$ 10,502	\$ -
Trust balance	330,713	274,112	604,825	576,362
Trust balance	\$ 341,215	\$ 274,112	\$ 615,327	\$ 576,362

### STATEMENT OF CONTINUITY

FOR THE YEAR ENDED DECEMBER 31, 2024

Trust balance, beginning of year	\$ 325,419	\$ 250,943	\$ 576,362	\$ 544,489
<b>Revenues</b>				
Sale of plots	5,294	-	5,294	13,038
Donations	-	490	490	330
Interest earned	-	34,179	34,179	36,505
	5,294	34,669	39,963	49,873
<b>Expenditures</b>				
Transfer to own funds	-	11,500	11,500	18,000
<b>Trust balance, end of year</b>	\$ 330,713	\$ 274,112	\$ 604,825	\$ 576,362

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

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## TRUST FUNDS

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31, 2024

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1. **Accounting policy**

Trust fund activities are recorded on the cash basis of accounting with the exception of amounts due to or from the City

2. **Investments**

The total investments of \$610,167 (2023 \$570,981) reported on the trust statement of financial position at cost, have a market value of \$610,167 (2023 \$570,981).

3. Interest earned by the Cemetery Care and Maintenance fund is transferred directly to the City and is not reflected on these statements.

## INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants  
and Ratepayers of the Corporation  
of the City of Temiskaming Shores:

### Opinion

We have audited the financial statements of Temiskaming Shores Public Library Board, which comprise the statement of financial position as at December 31, 2024, and the statements of operations, change in net debt and cash flows 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 Temiskaming Shores Public Library Board as at December 31, 2024, and the results of its operations, change in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Temiskaming Shores Public Library Board 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing Temiskaming Shores Public Library Board'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 Temiskaming Shores Public Library Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Temiskaming Shores Public Library Board's financial reporting process.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Temiskaming Shores Public Library Board'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 Temiskaming Shores Public Library Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause Temiskaming Shores Public Library Board 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.

*Kemp Elliott & Blair LLP*

New Liskeard, Ontario  
December 16, 2025

**Kemp Elliott & Blair LLP**  
Chartered Professional Accountants  
Licensed Public Accountants

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## TEMISKAMING SHORES PUBLIC LIBRARY BOARD

### STATEMENT OF FINANCIAL POSITION

**AS AT DECEMBER 31, 2024**

	2024	2023
<b>FINANCIAL ASSETS</b>		
Petty cash	\$ 200	\$ 200
<b>LIABILITIES</b>		
Municipal debt - note 2	1,356,000	1,440,750
<b>NET DEBT</b>	(1,355,800)	(1,440,550)
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - note 4	1,567,720	1,606,798
<b>ACCUMULATED SURPLUS - note 3</b>	\$ 211,920	\$ 166,248

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

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## TEMISKAMING SHORES PUBLIC LIBRARY BOARD

### STATEMENT OF OPERATIONS

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget 2024	Actual 2024	Actual 2023
<b>REVENUES</b>			
Provincial grants	\$ 25,715	\$ 25,722	\$ 27,372
Own municipal grant	554,267	585,471	539,176
Other municipal grants	9,520	9,520	9,520
Fees and fines	12,000	13,744	13,849
Other	13,000	21,526	21,000
<b>Total revenues</b>	<b>614,502</b>	<b>655,983</b>	<b>610,917</b>
<b>EXPENDITURES</b>			
Salaries and benefits	429,435	424,432	376,395
Interest on long-term debt	28,539	28,539	30,171
Collection development and maintenance	41,200	39,879	39,689
Utilities	22,700	21,820	20,473
Repairs and maintenance	1,250	1,038	795
Office and supplies	15,200	15,866	20,903
Telephone	10,800	10,754	11,100
Miscellaneous	21,800	21,740	22,259
Training and travel	4,500	7,165	4,382
Amortization	39,078	39,078	39,078
<b>Total expenditures</b>	<b>614,502</b>	<b>610,311</b>	<b>565,245</b>
<b>ANNUAL SURPLUS</b>	<b>-</b>	<b>45,672</b>	<b>45,672</b>
Accumulated surplus, beginning of year	166,248	166,248	120,576
<b>ACCUMULATED SURPLUS, END OF YEAR - note 2</b>	<b>\$ 166,248</b>	<b>\$ 211,920</b>	<b>\$ 166,248</b>

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



# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## TEMISKAMING SHORES PUBLIC LIBRARY BOARD

### STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

#### FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget 2024	Actual 2024	Actual 2023
<b>ANNUAL SURPLUS</b>	\$ -	\$ 45,672	\$ 45,672
Acquisition of tangible capital assets	-	-	-
Amortization of tangible capital assets	39,078	39,078	39,078
<b>Increase in net financial assets</b>	39,078	84,750	84,750
Net debt, beginning of year	(1,440,550)	(1,440,550)	(1,525,300)
<b>NET DEBT, END OF YEAR</b>	\$ (1,401,472)	\$ (1,355,800)	\$ (1,440,550)

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

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## TEMISKAMING SHORES PUBLIC LIBRARY BOARD

### CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
<b>Operating activities</b>		
Annual surplus	\$ 45,672	\$ 45,672
Charges not affecting cash - Amortization	39,078	39,078
	<u>84,750</u>	<u>84,750</u>
Cash provided by operating activities	<u>84,750</u>	<u>84,750</u>
<b>Financing activities</b>		
Debt repayments	<u>(84,750)</u>	<u>(84,750)</u>
Cash used for financing activities	<u>(84,750)</u>	<u>(84,750)</u>
<b>Increase in cash</b>	-	-
Cash, beginning of year	<u>200</u>	<u>200</u>
<b>Cash, end of year</b>	<u>\$ 200</u>	<u>\$ 200</u>
<b>Represented by</b>		
Petty cash	\$ 200	\$ 200

The accompanying notes form an integral part of these financial statements

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## TEMISKAMING SHORES PUBLIC LIBRARY BOARD

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31, 2024

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#### 1. Significant accounting policies

##### (a) Revenue recognition

Revenues are recognized 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.

##### (b) Tangible capital assets

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

Buildings	50 years
Equipment	10 years

Amortization is charged on a monthly basis beginning in the month of acquisition. Assets under construction are not amortized until the asset is in productive use.

#### 2. Municipal debt

The balance of the municipal debt reported on the Statement of Financial Position is made up of the following:

	2024	2023
<u>Loans and debentures</u>		
Ontario Infrastructure and Lands Corporation (OILC) debenture, repayable in quarterly payments of \$21,187.50 principal plus interest at 2.02%, maturing	\$ 1,356,000	\$ 1,440,750

Principal repayments due in the next five years are as follows:

2024	84,750
2025	84,750
2026	84,750
2027	84,750
2028	84,750
Thereafter	932,250
	<u>\$ 1,356,000</u>

In 2024, interest expense of \$28,539 (2023 \$30,171) has been reflected in the Statement of Operations.

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## TEMISKAMING SHORES PUBLIC LIBRARY BOARD

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31, 2024

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#### 3. Accumulated surplus

The accumulated surplus is made up of the following:

	2024	2022
Operational surplus	\$ 200	\$ 200
Amounts to be recovered	(1,356,000)	(1,525,500)
	<u>(1,355,800)</u>	<u>(1,525,300)</u>
Non-financial assets		
Tangible capital assets	1,567,720	1,645,876
	<u>\$ 211,920</u>	<u>\$ 120,576</u>

#### 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.

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## TEMISKAMING SHORES PUBLIC LIBRARY BOARD

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 4. Schedule of tangible capital assets

	Opening Cost Dec 31, 2023	Additions	Disposals	Ending Cost Dec 31, 2023	Opening Accumulated Amortization Dec 31, 2022	Current Amortization	Disposals	Ending Accumulated Amortization Dec 31, 2023	Net Dec 31, 2023
Land	\$ 29,300	\$ -	\$ -	\$ 29,300	\$ -	\$ -	\$ -	\$ -	\$ 29,300
Buildings	1,909,501	-	-	1,909,501	337,848	38,190	-	376,038	1,533,463
Machinery and equipment	8,879	-	-	8,879	3,034	888	-	3,922	4,957
<b>Total</b>	<b>\$ 1,947,680</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,947,680</b>	<b>\$ 340,882</b>	<b>\$ 39,078</b>	<b>\$ -</b>	<b>\$ 379,960</b>	<b>\$ 1,567,720</b>

	Opening Cost Dec 31, 2022	Additions	Disposals	Ending Cost Dec 31, 2023	Opening Accumulated Amortization Dec 31, 2022	Current Amortization	Disposals	Ending Accumulated Amortization Dec 31, 2023	Net Dec 31, 2023
Land	\$ 29,300	\$ -	\$ -	\$ 29,300	\$ -	\$ -	\$ -	\$ -	\$ 29,300
Buildings	1,909,501	-	-	1,909,501	299,658	38,190	-	337,848	1,571,653
Machinery and equipment	8,879	-	-	8,879	2,146	888	-	3,034	5,845
<b>Total</b>	<b>\$ 1,947,680</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,947,680</b>	<b>\$ 301,804</b>	<b>\$ 39,078</b>	<b>\$ -</b>	<b>\$ 340,882</b>	<b>\$ 1,606,798</b>

## INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants  
and Ratepayers of the Corporation  
of the City of Temiskaming Shores:

### Opinion

We have audited the financial statements of the Corporation of the City Temiskaming Shores Business Improvement Area, which comprise the statement of financial position as at December 31, 2024, and the statement of operations 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 Corporation of the City Temiskaming Shores Business Improvement Area as at December 31, 2024, and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation of the City Temiskaming Shores Business Improvement Area 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Corporation of the City Temiskaming Shores Business Improvement Area'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 Corporation of the City Temiskaming Shores Business Improvement Area or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation of the City Temiskaming Shores Business Improvement Area's financial reporting process.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation of the City Temiskaming Shores Business Improvement Area'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 Corporation of the City Temiskaming Shores Business Improvement Area's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Corporation of the City Temiskaming Shores Business Improvement Area 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.

*Kemp Elliott & Blair LLP*

New Liskeard, Ontario  
December 16, 2025

**Kemp Elliott & Blair LLP**  
Chartered Professional Accountants  
Licensed Public Accountants

# THE CORPORATION OF THE CITY OF TEMISKAMING SHORES

## BUSINESS IMPROVEMENT AREA

### STATEMENT OF FINANCIAL POSITION

**AS AT DECEMBER 31, 2024**

	2024	2023
<b>FINANCIAL ASSETS</b>		
Due from own municipality	\$ 36,386	\$ 53,978
<b>NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS</b>	\$ 36,386	\$ 53,978

### STATEMENT OF OPERATIONS

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget 2024	Actual 2024	Actual 2023
<b>REVENUES</b>			
Taxation	\$ 34,900	\$ 34,884	\$ 35,503
Other revenue	-	1,100	-
	34,900	35,984	35,503
<b>EXPENDITURES</b>			
Salaries, wages and employee benefits	14,413	19,599	11,522
Materials, supplies and services	30,500	12,340	24,576
Advertising and promotion	10,000	21,637	8,995
<b>Total expenditures</b>	54,913	53,576	45,093
<b>ANNUAL SURPLUS (DEFICIT)</b>	(20,013)	(17,592)	(9,590)
Accumulated surplus, beginning of year	53,978	53,978	63,568
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 33,965	\$ 36,386	\$ 53,978

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. Revenue recognition

Revenues are recognized 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.

#### 2. Cash flows and changes in net financial assets

Required cash flow information is readily available from the Statement of Operations. The Business Improvement Area has no tangible capital assets, so the Statement of Changes in Net Financial Assets has not been included since the Annual Surplus reported on the Statement of Operations reflects the change in Net Financial Assets for the year.



## INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the City of Temiskaming Shores:

### Qualified Opinion

We have audited the financial statements of the Provincial Offences Act Office - City of Temiskaming Shores, which comprise the statement of financial position as at December 31, 2024, and the consolidated statements of operations 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 matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Provincial Offences Act Office - City of Temiskaming Shores as at December 31, 2024, and its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

The financial records of the City of Temiskaming Shores Court Service Area are maintained and generated by the ICON system, maintained by the Province of Ontario. The scope of our audit did not include a review over the controls of this system nor was a service auditor's report made available to us.

Included in the revenue for the year ended December 31, 2023 are revenues of \$32,690 received on behalf of the City of Temiskaming Shores Court Service Area by other courts located throughout the Province of Ontario. The scope of our audit did not include a review of the systems or controls over cash collections and deposits at these other court locations.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Provincial Offences Act Office - City of Temiskaming Shores 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Provincial Offences Act Office - City of Temiskaming Shores' 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 Provincial Offences Act Office - City of Temiskaming Shores or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Provincial Offences Act Office - City of Temiskaming Shores' financial reporting process.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Provincial Offences Act Office - City of Temiskaming Shores' 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 Provincial Offences Act Office - City of Temiskaming Shores' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Provincial Offences Act Office - City of Temiskaming Shores 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.

*Kemp Elliott & Blair LLP*

New Liskeard, Ontario  
December 12, 2025

**Kemp Elliott & Blair LLP**  
Chartered Professional Accountants  
Licensed Public Accountants

# PROVINCIAL OFFENCES ACT OFFICE - CITY OF TEMISKAMING SHORES

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

	2024	2023
<b>FINANCIAL ASSETS</b>		
Cash	\$ 78,967	\$ 189,975
Accounts receivable	33,285	17,535
Municipal allocations receivable	12,885	-
	<b>\$ 125,137</b>	<b>\$ 207,510</b>
<b>LIABILITIES</b>		
Victim surcharge payable - Province of Ontario	\$ 24,178	\$ 22,403
Accounts payable - other provincial offences act offices	8,702	10,528
- other payables and accrued liabilities	92,257	51,967
Municipal allocations payable	-	116,640
Deferred revenue	-	5,972
	<b>\$ 125,137</b>	<b>\$ 207,510</b>

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

# PROVINCIAL OFFENCES ACT OFFICE - CITY OF TEMISKAMING SHORES

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget 2024	Actual 2024	Actual 2023
<b>REVENUES</b>			
Fines, costs and fees			
Home court			
Highway traffic	\$ 428,632	\$ 515,855	\$ 463,641
Liquor license	3,985	620	1,180
Provincial offences	267,154	106,772	262,731
Municipal by-law fines	5,098	3,958	5,563
Dedicated fines	30,240	45,716	42,064
Victim fine surcharge	140,446	122,380	161,339
Other provincial offences act offices	28,454	53,571	32,690
	904,009	848,872	969,208
Investment and other income	3,762	7,369	7,577
Provincial grant	-	883	-
Transfer from municipalities	-	12,002	-
Total revenues	907,771	869,126	976,785
<b>EXPENDITURES</b>			
Salaries, wages and employee benefits	179,369	184,264	170,476
Materials			
Materials and supplies	7,915	8,075	5,897
Travel and conference	5,000	5,790	2,023
	12,915	13,865	7,920
Services			
Professional fees	215,000	233,895	223,480
Telephone and computer services	5,058	9,491	7,103
Collection fees	20,321	18,319	11,097
Provincial government cost recovery	63,061	84,169	75,337
	303,440	345,874	317,017
Rent and financial expenses			
Rent and administrative fees	156,623	118,405	114,342
Bank charges	12,000	13,164	12,330
	168,623	131,569	126,672
External transfers			
Fines collected on behalf of others			
Dedicated fines	30,240	45,716	42,189
Victim fine surcharge	140,446	122,380	161,324
Municipal by-law fines	5,783	4,937	6,508
Other provincial offences act offices	21,194	20,521	28,039
Transfer to municipalities	45,761	-	116,640
	243,424	193,554	354,700
Total expenditures	907,771	869,126	976,785
<b>Annual surplus</b>	\$ -	\$ -	\$ -

The accompanying notes form an integral part of these financial statements

# PROVINCIAL OFFENCES ACT OFFICE - CITY OF TEMISKAMING SHORES

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
<b>Operating activities</b>		
Net change in non-cash working capital items -		
Accounts receivable	\$ (28,635)	\$ 18,058
Accounts payable and accrued liabilities	(76,401)	123,396
Deferred revenue	(5,972)	1,896
Cash provided by (used for) operating activities and net change for the year	(111,008)	143,350
Cash, beginning of year	189,975	46,625
<b>Cash, end of year</b>	<b>\$ 78,967</b>	<b>\$ 189,975</b>
<b>Represented by</b>		
Cash	\$ 78,967	\$ 189,975

The accompanying notes form an integral part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS

1. The City of Temiskaming Shores serves as the lead municipality in administering the Provincial Offences Act Office - City of Temiskaming Shores. In 2022, the Provincial Offences Act Office – City of Temiskaming Shores took part in a Part III offences pilot project. There was a backlog of inherited files as part of this project which resulted in additional unexpected costs for that year, with very little recoveries. While recoveries were good in 2023, for 2024 there were insufficient recoveries to offset prosecution costs.
2. The activities of the Provincial Offences Act Office - City of Temiskaming Shores are reported on the accrual basis of accounting.
3. A Statement of Changes in Net Financial Assets has not been included since the annual surplus reported on the Statement of Operations reflects the change in Net Financial Assets for the year.