

**THE CORPORATION OF THE
TOWNSHIP OF WHITE RIVER
FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of The Township of White River

Qualified Opinion

We have audited the accompanying consolidated financial statements of the **Corporation of The Township of White River (the "Township")**, which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and accumulated surplus for the year then December 31, 2023
- the consolidated statement of changes in net financial assets (net debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, 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 consolidated financial position of the Township as at December 31, 2023, and its consolidated results of operations and accumulated surplus, its consolidated changes in net financial assets (net debt) and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Qualified Opinion

Canadian public sector accounting standards require the recognition of a liability for a contaminated site assumed by a Municipality. The Township has not recognized the liability of the bark pile site nor has the Township estimated nor recorded this liability and the related environmental expense. Accordingly, we are not able to determine the adjustments, if any that would be necessary to accrued liabilities, long term liabilities, environmental expense, annual surplus (deficit) and accumulated surplus (deficit). Our opinion on the consolidated financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this departure from Canadian public sector accounting standards.

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 Township in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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

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

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

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

Those charged with governance are responsible for overseeing the Township's financial reporting process.



Auditors' Responsibility for the Audit of the Financial Statements

Our objectives is 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 the financial statements.

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

We also:

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Suraci & Olaszewski LLP

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Canada
May 12, 2025

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT DECEMBER 31, **2023** **2022**

Financial assets:

Cash	\$ 435,922	\$ 1,574,778
Investments (note 3)	4,743,354	3,841,942
Taxes receivable (allowance \$746,172)	612,271	851,518
Accounts receivable	674,415	290,768
User charges receivable (allowance \$105,000)	113,297	125,753
Inventory for resale	23,158	27,048
Financial assets	6,602,417	6,711,807

Financial Liabilities

Accounts payable and accrued liabilities	461,892	487,658
Deferred revenue - obligatory reserve gas tax (note 4)	-	11,766
Deferred revenue - (note 4)	243,800	243,800
Long-term obligations (note 5)	1,307,646	1,431,761
Asset retirement obligations (note 6)	1,897,702	1,875,518
Financial liabilities	3,911,040	4,050,503

Net Financial Assets **2,691,377** **2,661,304**

Non- financial Assets:

Prepaid expenses	95,803	89,071
Tangible capital assets (note 12)	9,383,936	8,588,468

Non- financial Assets **9,479,739** **8,677,539**

Total Net Assets **12,171,116** **11,338,843**

Accumulated Surplus (note 7) **\$12,171,116** **\$11,338,843**

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

_____ CAO

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

YEAR ENDED DECEMBER 31,

	Budget 2023	Actual 2023	Actual 2022
Revenues			
Taxation, net	\$ 1,580,184	\$ 1,696,300	\$ 1,704,448
Government grants	599,287	1,463,700	1,015,460
User charges	712,304	627,638	582,435
Investment Income	-	199,605	31,004
Other	374,008	416,630	459,261
Total Revenues	3,265,783	4,403,873	3,792,608
Expenditures			
General government	983,620	970,553	845,959
Protection to persons and property	368,952	330,890	342,183
Transportation services	344,862	447,367	477,646
Environmental services	840,874	1,032,979	920,048
Health services	113,472	102,842	124,863
Social and family services	161,203	168,405	161,203
Recreation and cultural services	299,418	382,559	360,782
Planning and development	184,572	136,005	56,837
Total Expenditures	3,296,973	3,571,600	3,289,521
Annual Surplus (Deficit)	(31,190)	832,273	503,087
Accumulated Surplus, beginning of year	11,338,843	11,338,843	10,835,756
Accumulated Surplus, end of year	\$11,307,653	\$12,171,116	\$11,338,843

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
CONSOLIDATED STATEMENT OF CASH FLOWS**

YEAR ENDED DECEMBER 31,	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual Surplus	\$ 832,273	\$ 503,087
Amortization	584,524	492,029
Uses:		
Increase in taxes receivable	239,247	(217,719)
Increase in user charges	12,456	(33,425)
Decrease in accounts payable and accrued liabilities	(25,766)	(146,864)
	225,937	(398,008)
Sources:		
Decrease in accounts receivable	(383,647)	1,027,084
Decrease in prepaid expense	(6,732)	6,365
Decrease in inventory for resale	3,890	4,398
Increase (decrease) in deferred revenue - obligatory reserves	(11,766)	11,766
Increase in asset retirement obligations	22,184	48,845
	(376,071)	1,098,458
Net increase in cash from operations	1,266,663	1,695,566
CASH FLOWS FROM FINANCING		
Repayment of long-term debt	(124,115)	(123,359)
CASH FLOWS FROM CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,379,992)	(508,917)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in long-term loan receivable	-	1,038,605
Increase in investments	(901,412)	(2,341,942)
	(901,412)	(1,303,337)
Net decrease in cash position	(1,138,856)	(240,047)
Cash position, beginning of year	1,574,778	1,814,825
CASH POSITION, END OF YEAR	\$ 435,922	\$ 1,574,778

THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (NET DEBT)

YEAR ENDED DECEMBER 31,

	Budget 2023	Actual 2023	Actual 2022
Annual Surplus	\$ (31,190)	\$ 832,273	\$ 503,087
Acquisition of tangible capital assets	-	(1,379,992)	(508,917)
Amortization of tangible capital assets	-	584,524	492,029
	-	(795,468)	(16,888)
Acquisition/Utilization of prepaid expenses	-	(6,732)	6,365
Change in Net Financial Assets (Net Debt)	(31,190)	30,073	492,564
Net Financial Assets, Beginning of Year	2,661,304	2,661,304	2,168,740
Net Financial Assets, End of Year	\$ 2,661,304	\$ 2,691,377	\$ 2,661,304

THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

The Corporation of the Township of White River ("the Township") is a Township in the province of Ontario, Canada. The Township 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 ACCOUNTING POLICIES ADOPTED BY THE MUNICIPALITY:

MANAGEMENT RESPONSIBILITY

The consolidated financial statements of the Corporation of the Township of White River 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 Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependant upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment.

REPORTING ENTITY

These consolidated statements reflect the assets, liabilities, operating revenues and expenditures, reserve funds and reserves and tangible capital assets of Corporation of the Township of White River. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of the financial affairs and resources of the Township, and which are owned or controlled by the Township of White River. The Public Library is accordingly consolidated in these financial statements.

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

CONSOLIDATED ENTITY

White River Public Library

NON-CONSOLIDATED ENTITIES

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

Algoma Health Unit
Algoma District Social Services Board

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 the municipal fund balances of these consolidated 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".

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

ACCRUAL ACCOUNTING

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become earned 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.

INVESTMENTS

Investments are accounted for at the lower of cost and market. Portfolio investments are accounted for at cost.

Investments consist of GIC's and high-interest savings accounts with interest rates between 1.19% to 5.31% with maturity dates ranging from April 2023 to November 2025.

INVENTORIES

Inventories held for consumption are recorded at the lower of cost and net realizable value on a first-in first-out basis.

NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge liabilities but are held for use in the provision of services. The useful lives of such assets extend 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 net revenue (expenditure), provides the Change in Net Financial Assets (Net Debt) for the year.

ASSET RETIREMENT OBLIGATION

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Township to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the Township reviews the carrying amount of the liability. The Township recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Township continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

SURPLUS LAND

The carrying value of surplus land is based on the purchase and development costs and does not reflect any gain that may arise if the land sells for more than the carrying value.

DEFERRED REVENUES (CHARGES) - OBLIGATORY RESERVE FUNDS

Deferred revenues represent user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed. From time to time the Municipality receives development charges under the authority of provincial legislation and Municipal by-laws.

A requirement of public sector accounting principles of the Canadian Institute of Chartered Accountants is that obligatory reserve funds be reported as deferred revenue. This requirement is placed as provincial and federal legislation restricts how these funds may be used and, under certain circumstances, these funds may possibly be refunded.

GOVERNMENT GRANTS AND 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 of the associated expenditure is incurred. Revenue is recognized for transfers under shared service agreements in the period the costs are incurred.

TAXATION AND RELATED REVENUE:

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

A normal part of the assessment process is the issue of supplementary rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Assessments and the related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined and the effect shared with the school boards as appropriate.

The Municipality has established an allowance for tax appeals and other items in the amount of \$ 746,171 (2022 - \$ 746,171).

BUDGET FIGURES

Budget figures for operations, capital and capital investment in tangible capital assets have been provided and are unaudited. Budget detail and capital investment in tangible capital assets are on a projected-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 expenditures.

THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

TANGIBLE CAPITAL ASSETS

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

	<u>Useful Life - Years</u>
Non Linear assets	
Land improvements	10
Buildings and building components	50
Vehicles	5-15
Machinery and equipment	10-15
Library collection	7
Linear assets	
Road paved surface	15-25
Sewer and water mains	50
Bridges and structures	15-50

Assets are amortized in the month following the purchase or in-service date. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Township of White River has capitalization thresholds between \$5,000 to \$200,000 on various 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 lowest threshold for pooled assets is \$5,000.

Contributions of tangible capital assets are recorded at fair value at the date of receipt and that fair value is also recorded as revenue.

Works of art and historical treasures are property that has cultural, aesthetic, or historical value that is worth preserving perpetually. Works of art and historical treasures would not be recognized as tangible capital assets in government financial statements because a reasonable estimate of the future benefits associated with such property can not be determined.

Tangible Capital Assets meeting the aforementioned description for the Township of White River are:

Winnie the Pooh Statue
CP Rail Caboose
Cross at cemetery
Various display items at Museum

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

THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. ADOPTION OF NEW ACCOUNTING STANDARDS

PS 3450 Financial Instruments

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments. Portfolio investments in equity instruments are required to be measured at their fair value as quoted in the active market. All other financial instruments will generally be measured at cost or amortized cost. The Township adopted PS 3450 Financial Instruments beginning January 1, 2023 prospectively.

Given that the Township's financial instruments were already measured at cost or amortized cost and the Township does not have any portfolio investments quoted in an active market, the adoption of this standard does not give rise to any numerical changes in the Township's financial statements.

PS 3280 Asset Retirement Obligations (ARO)

PS 3280 Asset Retirement Obligations (ARO) establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. This standard was adopted on January 1, 2022 on a modified retroactive basis with prior period restatement.

As a result of applying this accounting standard, an asset retirement obligation of \$1,897,702 (2022 - \$1,875,518) was recognized as a liability in the Consolidated Statement of Financial Position. The Township has restated the prior period based on a simplified approach, using the ARO liabilities, ARO assets and the associated ARO accumulated amortization, amortization expense and accretion expense (for discounted ARO liabilities) for the period January 1, 2023 to December 31, 2023 as a proxy for January 1, 2022 to December 31, 2022 information. The adoption of PS 3280 ARO was applied to the comparative period as follows:

As at December 31, 2022

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
Consolidated Statement of Financial Position			
Tangible capital assets including ARO	\$ 6,712,950	\$ 1,875,518	\$ 8,588,468
Provision for landfill closure and post-closure costs	892,718	(892,718)	-
Asset retirement obligation liability	-	1,875,518	1,875,518
Accumulated surplus at end of year	\$10,446,124	892,718	11,338,842

3. INVESTMENTS:

	2023		2022	
	Cost	Market	Cost	Market
Fixed income	\$ 1,898,046	\$ 1,923,548	\$ 700,000	\$ 700,000
High-interest savings	400,146	400,146	-	-
Short-term investments	1,543,750	1,543,750	800,000	800,000
	\$ 3,841,942	\$ 3,867,444	\$ 1,500,000	\$ 1,500,000

Investments earned \$199,605 in investment income during the year (2022 - \$31,004).

THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

4. DEFERRED REVENUE CONTINUITY:

	2023	2022
Deferred Revenue, beginning of the year:	\$ 255,566	\$ 243,800
Contributions	42,691	40,913
Contributions used	(54,457)	(29,147)
Deferred Revenue, end of year	\$ 243,800	\$ 255,566

DEFERRED REVENUE COMPONENT:

	2023	2022
Federal Gas Tax	\$ -	\$ 11,766
Ontario Service Modernization Funding	243,800	243,800
	\$ 243,800	\$ 255,566

5. LONG-TERM OBLIGATIONS

Long-term obligations consist of the following:

	2023	2022
4.55 % Ontario Infrastructure Projects Corporation (OIPC) debenture, bearing interest semi-annually, repayable with semi-annual principal payments of \$20,000 on June 1 and December 1, on a 25 year term, maturing June 2036	\$ 500,000	\$ 540,000
2.64%, Ontario Infrastructure Projects Corporation (OIPC) debenture, bearing interest semi-annually, repayable with semi - annual principal payments of \$26,000 on March 1 and September 1 each year, on a 25 year term, maturing March 2035	598,000	650,000
2.40% Ontario Infrastructure Projects Corporation (OIPC) debenture, bearing interest semi-annually, repayable with semi-annual principal payments of \$17,560 on January 15 and July 15 each year, on a 10 year term, maturing July 2029	209,646	241,761
	\$ 1,307,646	\$ 1,431,761

The principal payments due on long term debt over the next five years is approximately as follows:

2024	-	\$124,891
2025	-	\$125,685
2026	-	\$126,498
2027	-	\$127,331
2028		\$128,184
Thereafter-		\$675,057

The long-term obligations have been approved by by-laws and the annual principal and interest payments required to service these obligations are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

6. ASSET RETIREMENT OBLIGATIONS

The Township owns and operates one landfill site and is legally required to perform closure and post-closure activities upon retirement of this site. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. A liability for the total obligation, which was incurred when the site started accepting waste, irrespective of volume of waste accepted has been accrued. The Board estimates that no obligation is incurred incrementally due to the volume of waste, therefore, no further obligation is being accrued based on volume of waste accepted. The Township's undiscounted future cash flows expected are closure costs in year 2024 of \$568,890 and in year 2040 of \$766,542 with annual post-closure activities starting in year 2025 of \$27,420 per year, increasing at an annual inflation rate of 2.25%, for 30 years to year 2070. The estimated total liability of \$1,675,647 (2022 - \$1,653,463) is based on the sum of discounted future cash flows for closure and post-closure activities using a discount rate of 3.0% and assuming annual inflation of 2.25%.

The Township has a number of buildings containing asbestos requiring remediation upon decommissioning. The Canadian Environmental Protection Act (CEPA) governs the protection of the environment and human health with respect to hazardous waste such as asbestos. There are regulations specifically regarding the handling of asbestos which are published under the authority of CEPA. In addition, the Canada Occupational Health and Safety Regulations outlines requirements for asbestos exposure control plans, as well as requirements on disposal of asbestos and decontamination. The estimated liability is the present value of the estimated future cash flows required to settle these asset retirement obligations is \$222,055

7. ACCUMULATED SURPLUS:

The accumulated surplus consists of specific fund surplus, reserves, and reserve funds as follows:

	2023	2022
Surplus		
For general reduction of taxation or user charges	\$ 22,758	86,949
To be applied to operations of local boards	25,991	26,924
Funds for acquisition of capital assets	904,947	1,010,010
Invested in tangible capital assets	9,383,934	6,712,950
Amounts to be Recovered		
Net Long Term Liabilities	(1,307,646)	(1,431,761)
Landfill Liability	(1,897,702)	(892,718)
	7,132,282	5,512,354
Reserve funds set aside for specific purposes by Council		
Working capital purposes	123,851	123,851
Infrastructure	2,116,271	2,116,271
Cemetery	36,331	34,934
Industrial park	20,617	19,824
Machinery and equipment	22,984	22,100
Health Service	12,698	12,210
Recreation and Parks	43,579	41,903
Water supply	1,221,615	1,174,630
Fire department	466,932	448,973
Landfill	10,129	9,739
Community well being	896,765	862,274
Covid-19 Recovery	67,062	67,062
	5,038,834	4,933,771
Accumulated Surplus	\$12,171,116	\$10,446,125

THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS:

The following contributions were made by the Municipality to these unconsolidated boards:

	2023	2022
Algoma Health Unit	\$ 22,524	\$ 25,949
Algoma District Services Administration Board	168,405	161,203
	<u>\$ 190,929</u>	<u>\$ 187,152</u>

9. TAXATION AND OPERATIONS OF SCHOOL BOARDS:

During 2023, the Township collected (recovered) and transferred (received credit of) property taxes in the amount of \$127,759 (2022 - \$130,824).

10. TRUST FUNDS

Trust funds administrated by the Township amounting to \$8,546 (2022 - \$7,846) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations".

11. BUDGET RECONCILIATION

The authority of Council is required before monies can be spent by the Township. Approvals are given in the form of an annually approved budget. The budget approved by Council differs from the budget in the Consolidated Statement of Operations as a result of numerous factors and material changes due to PSAB reporting requirements.

	Revenues 2023	Expenditures 2023
Council approved budget		
Operating fund	\$ 3,265,783	\$ 3,296,973
Reserves, Reserve funds and financing	<u>-</u>	<u>-</u>
	3,265,783	3,296,973
Capital Budget	<u>-</u>	<u>-</u>
Total Approved by Council	3,265,783	3,296,973
Reserves, reserve funds and financing	31,190	-
Plus: Budgeted amortization expense	<u>NIL</u>	<u>NIL</u>
Budget per Consolidated Statement of Operations	<u>\$ 3,296,973</u>	<u>\$ 3,296,973</u>

THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

12 TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS

	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
General Capital Assets										
Land	\$ 99,024	\$ -	\$ -	\$ 99,024	\$ -	\$ -	\$ -	\$ -	\$ 99,024	\$ 99,024
Land improvements	453,168	-	-	453,168	453,168	-	-	453,168	-	-
Buildings	4,799,815	236,896	-	5,036,711	3,784,509	46,135	-	3,830,644	1,206,067	1,015,306
Equipment and machinery	134,037	-	-	134,037	112,788	2,906	-	115,694	18,343	21,249
Technology equipment	49,278	5,643	-	54,921	42,354	1,631	-	43,985	10,936	6,924
Vehicle and machinery	329,164	222,229	-	551,393	329,164	3,661	-	332,825	218,568	-
Furniture and fixtures	127,578	-	-	127,578	127,578	-	-	127,578	-	-
Book Collection	205,884	-	-	205,884	205,884	-	-	205,884	-	-
	6,197,948	464,768	-	6,662,716	5,055,445	54,333	-	5,109,778	1,552,938	1,142,503
Infrastructure Assets										
Land	\$ 69,600	\$ -	\$ -	\$ 69,600	\$ -	\$ -	\$ -	\$ -	\$ 69,600	\$ 69,600
Land improvements	301,383	-	-	301,383	296,056	5,327	-	301,383	-	5,327
Buildings	3,101,543	-	-	3,101,543	1,952,208	38,637	-	1,990,845	1,110,698	1,149,335
Equipment and machinery	3,982,418	22,157	-	4,004,575	3,261,645	160,343	-	3,421,988	582,587	720,773
Vehicles	159,785	-	-	159,785	111,149	5,120	-	116,269	43,516	48,636
Linear - Hydrants	256,232	-	-	256,232	256,232	-	-	256,232	-	-
Linear - Roads	6,216,425	-	-	6,216,425	4,839,694	112,762	-	4,952,456	1,263,969	1,376,731
Linear - Street Lights	158,100	-	-	158,100	82,452	3,258	-	85,710	72,390	75,648
Linear - Environmental	12,959,179	272,357	-	13,231,536	9,526,014	204,744	-	9,730,758	3,500,778	3,433,165
Assets Work-in-process	566,750	620,710	-	1,187,460	-	-	-	-	1,187,460	566,750
	27,771,415	915,224	-	28,686,639	20,325,450	530,191	-	20,855,641	7,830,998	7,445,965
	\$ 33,969,363	\$ 1,379,992	\$ -	\$ 35,349,355	\$ 25,380,895	\$ 584,524	\$ -	\$ 25,965,419	\$ 9,383,936	\$ 8,588,468

THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

12. TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS (Continued)

	Cost				Accumulated Amortization				2022	2021
	2022 Opening Balance	Additions and Betterments	Disposals/ Transfers	2022 Closing Balance	2022 Opening Balance	2022 Amortization Expense	Accumulated Amortization on Disposals	2022 Ending Balance	Net Book Value	Net Book Value
General Capital Assets										
Land	\$ 99,024	\$ -	\$ -	\$ 99,024	\$ -	\$ -	\$ -	\$ -	\$ 99,024	\$ 99,024
Land improvements	453,168	-	-	453,168	453,168	-	-	453,168	-	-
Buildings	4,723,087	76,728	-	4,799,815	3,740,693	43,816	-	3,784,509	1,015,306	863,939
Equipment and machinery	113,454	20,583	-	134,037	110,911	1,877	-	112,788	21,249	2,543
Technology equipment	49,278	-	-	49,278	35,518	6,836	-	42,354	6,924	13,760
Vehicle and machinery	329,164	-	-	329,164	328,175	989	-	329,164	-	989
Furniture and fixtures	127,578	-	-	127,578	127,578	-	-	127,578	-	-
Book Collection	205,884	-	-	205,884	205,884	-	-	205,884	-	-
	6,100,637	97,311	-	6,197,948	5,001,927	53,518	-	5,055,445	1,142,503	980,255
Infrastructure Assets										
Land	\$ 69,600	\$ -	\$ -	\$ 69,600	\$ -	\$ -	\$ -	\$ -	\$ 69,600	\$ 69,600
Land improvements	301,383	-	-	301,383	279,964	16,092	-	296,056	5,327	21,419
Buildings	3,101,543	-	-	3,101,543	1,913,571	38,637	-	1,952,208	1,149,335	1,093,872
Equipment and machinery	3,982,418	-	-	3,982,418	3,102,533	159,112	-	3,261,645	720,773	879,885
Vehicles	108,590	51,195	-	159,785	107,095	4,054	-	111,149	48,636	1,495
Linear - Hydrants	256,232	-	-	256,232	256,232	-	-	256,232	-	-
Linear - Roads	6,198,454	17,971	-	6,216,425	4,727,033	112,661	-	4,839,694	1,376,731	1,472,421
Linear - Street Lights	158,100	-	-	158,100	78,646	3,806	-	82,452	75,648	79,454
Linear - Environmental	12,827,735	131,444	-	12,959,179	9,421,865	104,149	-	9,526,014	3,433,165	1,742,907
Assets Work-in-Process	355,754	210,996	-	566,750	-	-	-	-	566,750	355,754
	27,359,809	411,606	-	27,771,415	19,886,939	438,511	-	20,325,450	7,445,965	5,716,807
	\$ 33,460,446	\$ 508,917	\$ -	\$ 33,969,363	\$ 24,888,866	\$ 492,029	\$ -	\$ 25,380,895	\$ 8,588,468	\$ 6,697,062

THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

13. SEGMENTED INFORMATION - SERVICE BUNDLE

The Municipality of White River is a diversified municipal government institution that provides a wide range of services to more than 645 citizens. Services include water, roads, fire, police, waste management, recreation programs, economic development, land use planning, and health and social services. For management reporting purposes the Government's 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 have been separately disclosed in the segmented information, along with the services they provide, and are as follows:

General Government

General Government consists of Office of the Mayor, Council expenses, Administrative Services (including CAO, Clerks, Elections, Communications, Legal and Information Technology Services). Areas within the General Government respond to the needs of external and internal clients by providing high quality, supportive and responsive services. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues, relating to governance, strategic planning and service delivery.

Protection Services

This section consists of Fire, Police, Animal Control, Building Services, and Emergency measures. Police Services ensure the safety of the lives and property of citizens, preserve peace and order; prevent crimes from occurring; detect offenders and enforce the law. Fire Services is responsible to provide fire suppression service, fire prevention programs, training and education related to prevention, detection and extinguishment of fires. The Building Services processes permit applications and ensures compliance with the Ontario Building Code and with By-Laws enacted by Council.

Transportation Services

This area is responsible for management of Roadways including traffic and winter control.

Environmental Services

In addition to the management of Waterworks and Sanitary Systems, this area is responsible for Waste Disposal and Recycling facilities and programs. This section is responsible for providing clean, potable water meeting all regulatory requirements and responsible for repairing breaks and leaks in the water and sewer system.

THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

13. SEGMENTED INFORMATION - SERVICE BUNDLE (CONT'D)

Health and Social Services

This section consists of Ambulance Services, Social Services including Housing Services, Childcare, Assistance to aged persons, Cemetery Services as well as the Town's contribution to the Health Unit.

Recreation and Cultural Services

This section provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and other programs and provides management of arenas and leisure facilities. This section also contributes to the information needs of the Town's citizens through the provision of the library and cultural services and by preserving local history and managing archived data.

Planning and Development Services

The goal of this section is to offer coordinated development services in order to maximize economic development opportunities. The Planning and Development ensures that the Township of White River is planned and developed in accordance with the Ontario Planning Act, Provincial policies and good planning principles so that the Township is an enjoyable and beautiful community to live, work and play. This section also provides leadership in matters relating to landscape restoration, ecosystem health, biological integrity, energy conservation, air and lake water quality.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, certain government grants and other revenue are apportioned to Current Fund services based on a percentage of operations.

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

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2023

13. SEGMENTED INFORMATION - SERVICE BUNDLE - 2023 (CONT'D)

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Total
Revenues								
Taxation (net)	\$ 407,113	\$ 186,593	\$ 254,445	\$ 474,964	\$ 152,667	\$ 186,593	\$ 33,926	\$ 1,696,301
Government transfers and grants	373,885	136,536	74,160	668,307	121,226	68,954	20,632	1,463,700
User Charges	-	-	-	627,638	-	-	-	627,638
Investment Income	199,605	-	-	-	-	-	-	199,605
Other	97,568	35,877	42,196	124,170	12,907	85,699	18,213	416,630
	1,078,171	359,006	370,801	1,895,079	286,800	341,246	72,771	4,403,874
Expenditures								
Salaries, wages and benefits	432,003	31,375	171,970	108,407	-	121,087	-	864,842
Materials and Contracts	533,274	291,236	135,905	535,135	261,450	229,229	136,005	2,122,234
Amortization	5,276	8,279	139,492	389,437	9,797	32,243	-	584,524
	970,553	330,890	447,367	1,032,979	271,247	382,559	136,005	3,571,600
Annual Surplus (deficit)	\$ 107,618	\$ 28,116	\$ (76,566)	\$ 862,100	\$ 15,553	\$ (41,313)	\$ (63,234)	\$ 832,274

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023

13. SEGMENTED INFORMATION - SERVICE BUNDLE - 2022 (CONT'D)

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Total
Revenues								
Taxation (net)	\$ 409,069	\$ 187,489	\$ 255,667	\$ 477,245	\$ 153,400	\$ 187,489	\$ 34,089	\$ 1,704,448
Government transfers and grants	151,451	98,790	147,528	421,976	107,353	73,848	14,514	1,015,460
User Charges	-	-	-	582,435	-	-	-	582,435
Investment income	31,004	-	-	-	-	-	-	31,004
Other	95,085	42,811	44,386	129,417	11,782	113,062	22,718	459,261
	686,609	329,090	447,581	1,611,073	272,535	374,399	71,321	3,792,608
Expenditures								
Salaries, wages and benefits	321,890	24,163	160,341	102,783	-	124,992	-	734,169
Materials and Contracts	519,455	315,800	178,596	518,727	275,586	202,722	56,837	2,067,723
Amortization	4,614	2,220	138,709	298,538	10,480	33,068	-	487,629
	845,959	342,183	477,646	920,048	286,066	360,782	56,837	3,289,521
Annual Surplus (deficit)	\$ (159,350)	\$ (13,093)	\$ (30,065)	\$ 691,025	\$ (13,531)	\$ 13,617	\$ 14,484	\$ 503,087



INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of White River

Opinion

We have audited the accompanying financial statements of the **Corporation of The Township of White River Trust Funds (the "Trust Funds")**, which comprise:

- the statement of financial position as at December 31, 2023
- the statement of continuity of trust fund the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the trust funds as at December 31, 2023, statement of continuity of trust fund 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 Township's trust funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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

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

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

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

Those charged with governance are responsible for overseeing the Township's trust fund financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the financial statements.



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

We also:

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's trust fund internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's trust fund 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 Township's trust fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Suraci & Olszewski LLP

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Canada
May 12, 2025

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
PERPETUAL CARE TRUST FUND
STATEMENT OF FINANCIAL POSITION**

AS AT DECEMBER 31, 2023, (with comparative figures for the prior year)

	2023 Actual	2022 Actual
Financial assets:		
Cash	\$ 11,039	\$ 11,039
	11,039	11,039
Financial liabilities:		
Payable to revenue fund	2,493	3,193
Net financial assets being fund balance, end of year	\$ 8,546	\$ 7,846

STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31, 2023, (with comparative figures for the prior year)

	2023 Actual	2022 Actual
Balance, beginning of year	\$ 7,846	7,846
Revenue		
Plot sales	700	-
Balance, end of year	\$ 8,546	\$ 7,846

**THE CORPORATION OF THE TOWNSHIP OF WHITE RIVER
TRUST FUND
NOTE TO FINANCIAL STATEMENTS**

DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICY

The financial statements of the Corporation of the Township of White River Perpetual Care Trust Fund are the representation of management prepared in accordance with accounting principles generally accepted in Canada for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.