

Consolidated Financial Statements

**THE CORPORATION OF THE TOWN  
OF BLIND RIVER**

And Independent Auditor's Report thereon

Year ended December 31, 2023

### **Management's Responsibility for the Financial Statements**

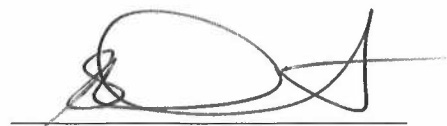
The accompanying consolidated financial statements of the Corporation of the Town of Blind River ("the Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in note 1 to these consolidated financial statements. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.


The Town's 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 consolidated financial statements. These systems are monitored and evaluated by management.

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

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

  
S. Hagman, Mayor

  
Sue Dent, Treasurer / Director of Finance

  
Kathryn Scott, CAO / Clerk

# THE CORPORATION OF THE TOWN OF BLIND RIVER

## Consolidated Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022 (Restated - note 2)
<b>Financial Assets</b>		
Cash	\$ 4,763,576	\$ 5,042,671
Taxes receivable (note 4)	1,143,738	1,118,199
Accounts receivable (note 6)	1,766,022	1,272,833
Advances to related companies (note 8)	21,657,403	22,379,356
Investment in North Shore Power Group Inc. (note 7)	1	1
	29,330,740	29,813,060
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	1,877,597	1,452,951
Deferred revenue (note 10)	1,680,245	2,265,296
Long-term debt (note 13)	26,285,621	24,817,333
Asset retirement obligation (note 12)	1,894,353	1,805,128
	31,737,816	30,340,708
Net financial debt	(2,407,076)	(527,648)
<b>Non-financial Assets</b>		
Tangible capital assets (note 14)	54,724,372	50,165,636
Prepaid expenses	243,236	221,932
	54,967,608	50,387,568
Contractual obligations (note 17)		
Contingencies and guarantees (note 22)		
Accumulated surplus (note 15)	\$ 52,560,532	\$ 49,859,920

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

Approved by:

 Mayor



Page 3

We also:

- Identify and assess the risk 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, internal 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 purposes of expressing an opinion on the effectiveness of the Entity'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 the events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada  
November 15, 2024



***Emphasis of Matter – Comparative Information***

We draw attention to Note 2 to the financial statements ("Note 2"), which explains that certain comparative information presented for the year ended December 31, 2022 has been restated as a result of the modified retroactive adoption of the asset retirement obligation standard. Note 2 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

***Other Matter – Comparative Information***

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022 as a result of a change in accounting policy. In our opinion, such adjustments are appropriate and have been properly applied.

***Responsibility 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 Entity'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 Entity or to cease operations or has no realistic alternative but to do so.

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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.



**KPMG LLP**  
Times Square  
1760 Regent Street, Unit 4  
Sudbury, ON P3E 3Z8  
Canada  
Telephone 705 675 8500  
Fax 705 675 7586

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Council, residents and ratepayers of the Corporation of the Town of Blind River

### ***Opinion***

We have audited the consolidated financial statements of The Corporation of the Town of Blind River (the Entity), 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 ended
- the consolidated statement of changes in net financial debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the notes and schedule to the consolidated 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 consolidated financial position of the Entity as at December 31, 2023, and its consolidated results of operations, its consolidated changes in net debt and its consolidated 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 responsibility under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity 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.

# THE CORPORATION OF THE TOWN OF BLIND RIVER

## Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

	Budget 2023 (note 19)	Actual 2023	Actual 2022 (Restated - note 2)
Revenue:			
Government Grants - Provincial	\$ 4,937,377	\$ 5,127,821	\$ 4,230,132
- Federal	485,281	821,014	1,444,931
Taxation	7,112,474	7,241,576	6,835,261
Other	1,162,630	1,938,883	2,112,524
User Charges	2,281,928	2,515,687	2,297,450
Gain (loss) on sale of assets	-	(31,521)	10,103
Total revenue	15,979,690	17,613,460	16,930,401
Expenses:			
General government	1,475,434	1,786,108	2,194,619
Protection to persons and property	1,467,391	1,561,794	1,851,140
Transportation services	3,666,631	3,567,412	3,506,362
Environmental services	3,106,805	3,111,221	3,190,056
Health, social and family services	1,411,422	1,438,149	1,413,622
Recreational and culture	2,907,503	3,012,835	2,370,140
Planning and development	461,130	435,329	354,111
Total expenses	14,496,316	14,912,848	14,880,050
Annual surplus before undernoted items	1,483,374	2,700,612	2,050,351
Impairment reversal	-	-	(8,359,202)
Annual surplus	1,483,374	2,700,612	10,409,553
Accumulated surplus, beginning of year	49,859,920	49,859,920	39,374,286
Adjustment on adoption of the asset retirement obligation standard (note 2)	-	-	76,081
Accumulated surplus, end of year	\$ 51,343,294	52,560,532	\$ 49,859,920

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

# THE CORPORATION OF THE TOWN OF BLIND RIVER

## Consolidated Statement of Change in Net Financial Debt

Year ended December 31, 2023, with comparative information for 2022

	Budget 2023 (note 19)	Actual 2023	Actual 2022 (Restated - note 2)
Annual surplus	\$ 1,483,374	\$ 2,700,612	\$ 10,409,553
Acquisition of tangible capital assets	(7,842,297)	(8,940,110)	(6,458,650)
Amortization of tangible capital assets	3,500,000	3,409,854	3,351,359
Proceeds on disposal of tangible capital assets	-	940,000	72,614
Gain on disposal of tangible capital assets	-	31,520	(10,103)
Change in prepaid expenses	-	(21,304)	1,269,517
Change in net financial debt	(2,858,923)	(1,879,428)	8,634,290
Net financial debt, beginning of year	(527,648)	(527,648)	(9,098,596)
Adjustment on adoption of the asset retirement obligation standard (note 2)	-	-	(63,342)
Net financial debt, end of year	\$ (3,386,571)	\$ (2,407,076)	\$ (527,648)

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



# THE CORPORATION OF THE TOWN OF BLIND RIVER

## Consolidated Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
		(Restated - note 2)
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 2,700,612	\$ 10,228,347
Items not involving cash:		
Amortization of tangible capital assets	3,409,854	3,315,953
Loss (gain) on disposal of tangible capital assets	31,520	(10,103)
Accretion of asset retirement obligations	89,225	261,415
	6,231,211	13,795,612
Change in non-cash assets and liabilities:		
Taxes receivable	(25,539)	(173,864)
Accounts receivable	(493,189)	124,396
Accounts payable and accrued liabilities	424,646	(253,208)
Deferred revenue	(585,051)	583,622
Prepaid expenses	(21,304)	1,269,517
Net change in cash from operating activities	5,530,774	15,346,075
Capital activities:		
Proceeds on disposal of tangible capital assets	940,000	72,614
Cash used to acquire tangible capital assets	(8,940,110)	(6,458,650)
Net change in capital activities	(8,000,110)	(6,386,036)
Investing activities:		
Decrease (increase) in due from related companies	721,953	(4,478,423)
Financing transactions:		
Repayment of long-term debt	(1,212,076)	(4,432,125)
Issuance of long-term debt	2,680,364	-
	1,468,288	(4,432,125)
Increase (decrease) in cash	(279,095)	49,491
Cash, beginning of year	5,042,671	4,993,180
Cash, end of year	\$ 4,763,576	\$ 5,042,671

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

# THE CORPORATION OF THE TOWN OF BLIND RIVER

## Notes to Consolidated Financial Statements

Year ended December 31, 2023

---

The Corporation of the Town of Blind River ("Town") is a Town in the Province of Ontario, Canada. It conducts its operations guided by the provision of provincial statutes such as the Municipal Act, 2001, and other related legislation.

### 1. Significant accounting policies:

The consolidated financial statements of the Town are the representation of management. The consolidated financial statements are prepared in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Basis of consolidation:

i) Reporting entity:

These consolidated financial statements reflect the assets, liabilities, revenues, expenses and fund balances of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Town and which are owned or controlled by the Town. These consolidated financial statements include the following:

Public Library Board  
Huron Pines Golf & Country Club  
Blind River Development Corporation

All inter-departmental and inter-organizational transactions and balances between these organizations are eliminated.

ii) Non-consolidated entities:

These consolidated financial statements reflect contributions to the following joint local boards, which are not under the direct control of council, as expenditures in the consolidated statement of operations:

Algoma Public Health  
Algoma District Services Administration Board

The assets, liabilities, revenues and expenditures of these joint local boards have not been proportionately consolidated in these consolidated financial statements.

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 consolidated financial statements.

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

---

## 1. Significant accounting policies (continued):

### (a) Basis of consolidation (continued):

#### iv) Government Business Enterprise:

Government Business Enterprises are accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprises' accounting principles are not adjusted to conform with those of the Town, and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual income or loss of Government Business Enterprises in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the Town may receive from Government Business Enterprises will be reflected as reductions in the investment asset account.

### (b) Basis of accounting:

#### (i) Accrual accounting:

The consolidated financial statements of the Town have been prepared on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are 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.

#### (ii) Revenue recognition:

Property tax billings are prepared by the Town based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Council, incorporating amounts to be raised for local services and amount the Town 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 assessments. Assessments and related property taxes are subject to appeal by ratepayers. Tax adjustments as a result of supplementary assessments and appeals are estimated based on historical results.

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

Government transfers are recognized in the period that the events giving rise to the transfer have occurred as long as: the transfer is authorized; the eligibility criteria, if any, have been met and the amount can be reasonably estimated. Government transfers received before these criteria have been met are recorded in the accounts as deferred revenue and are recognized as revenue in the period in which all of these criteria are met.

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

---

## 1. Significant accounting policies (continued):

### (b) Basis of accounting (continued):

#### (ii) Revenue recognition (continued):

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers received or receivable are recognized in revenue once the eligibility criteria, if any, are met unless they meet the definition of a liability. Government transfers paid are recognized as a liability and an expense when the transfer is authorized and all eligibility criteria have been met by the recipient.

User fees and other revenues are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided.

#### (iii) Accounts receivable:

Accounts receivable are reported net of any allowance for doubtful accounts.

#### (iv) Reserve and reserve funds:

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

#### (v) Use of estimates and measurement uncertainty:

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenditures during the period. Significant estimates and assumptions, which include property tax assessment appeals; property, liability and accident claims provisions; landfill closure and post-closure liabilities; and environment provisions, are based on management's best information and judgement. Actual amounts, which are accounted for as they become known, may differ significantly from these estimates.

#### (vi) Cash:

Amounts shown as cash on the consolidated Statement of Financial Position are comprised of account balances at chartered banks or credit unions.

#### (vii) 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 consolidated change in net financial debt for the year.

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

---

## 1. Significant accounting policies (continued):

### (b) Basis of accounting (continued):

#### (viii) Financial Instruments:

Financial instruments are classified as either fair value, amortized cost or cost.

Financial instruments classified as fair value are initially recognized at cost and subsequently carried at fair value. Financing fees and transaction costs on financial instruments measured at fair value are expensed as incurred. Unrealized gains and losses on financial assets are recognized in the Consolidated Statement of Remeasurement Gains and Losses. Once realized, remeasurement gains and losses are transferred to the Consolidated Statement of Operations. A Consolidated Statement of Remeasurement Gains and Losses has not been included as there are no matters to report therein.

Financial instruments classified as amortized cost are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. The effective interest rate method allocates interest income or interest expense over the relevant period, based on the effective interest rate. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement, provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the Consolidated Statement of Operations.

Financial liabilities (or part of a financial liability) are removed from the Statement of Financial Position when, and only when, they are discharged, cancelled or expire.

The Town's financial instruments are measured according to the following methods:

<u>Financial instrument</u>	<u>Measurement method</u>
Cash	Amortized cost
Investments	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

## 1. Significant accounting policies (continued):

### (b) Basis of accounting (continued):

#### (ix) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes all amounts directly attributable to acquisition, construction, development or betterment of the asset.

The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over the estimated useful lives as follows:

Asset	Useful Life - Years
Land	Infinite
Buildings	19 - 40
Land improvements	20 - 40
Machinery and equipment	5 - 30
Furniture and fixtures	5 - 10
Vehicles	10 - 25
Infrastructure	25 - 40

One half of the annual amortization is charged in the year of acquisition. Construction in progress is not amortized until the asset is available for productive use. Interest during the period of construction is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

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

#### (x) Post-employment benefits:

The Town is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Town has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. The Town records the current service cost within salaries and benefits expense at the time incurred.

#### (xi) Deferred revenues:

Grants, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain projects or the completion of specific work. In addition, certain fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or the services are performed.

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

---

## 1. Significant accounting policies (continued):

### (b) Basis of accounting (continued):

#### (xi) Deferred revenues:

A requirement for local governments is that the obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation and other agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. Given the restriction in use until spent on qualifying projects or expenses these amounts are deferred.

#### (xii) Asset retirement obligation:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

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

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in one building owned by the Town has also been recognized based on estimated future expenses on closure of the site and post-closure care.

The liability is discounted using a present value calculation and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined in note 1(b)(ix).

## 2. Change in accounting policies:

The Town adopted the following standards concurrently beginning January 1, 2022 prospectively: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS 3450 *Financial Instruments*.

PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

---

## 2. Change in accounting policies (continued):

PS 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses. PS 3041 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* no longer applies.

PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date.

Fair value hierarchy:

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. There was no impact from the adoption of this standard.



# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

---

## 2. Change in accounting policies (continued):

### PS 3280 Asset Retirement Obligations:

On January 1, 2022, the Town adopted Public Accounting Standard PS 3280 *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability*. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

The Town removed the landfill liability that had been recognized to date and recognized an asset retirement obligation upon adoption of PS 3280 on January 1, 2022, using the modified retrospective method. The liability represents the required closure and post-closure care for the landfill site owned by the Town. The liability is measured as of the date of purchase of the site, when the liability was assumed. As of the date of adoption of the standard, the relevant discount rate is 3% per annum.

On January 1, 2022, the Town recognized an additional asset retirement obligation relating to several buildings owned by the Town that may contain asbestos.

In accordance with the provisions of this new standard, the Town reflected the following adjustments at January 1, 2022:

#### (a) Landfill obligation:

- (i) A decrease of \$1,696,983 to landfill closure liabilities to remove the liability recognized to date under the old standard, and an accompanying increase of \$1,696,983 to opening Accumulated Surplus.
- (ii) An increase of \$802,755 to the infrastructure capital asset account, representing the original estimate of the obligation as of the commencement of the use of the landfill, and an accompanying increase of \$702,551 to accumulated amortization, representing increased amortization for the landfill had the liability originally been recognized.
- (iii) An asset retirement obligation in the amount of \$1,493,361, representing the original obligation discounted to the present value amount using a rate of 3%.
- (iv) A decrease to opening accumulated surplus of \$1,393,157, as a result of the recognition of the liability and accompanying increase in amortization expense and accretion expense for the years since commencement of operations of the landfill sites.

Furthermore, the Town reflected the following adjustment at December 31, 2022:

- (i) A decrease of \$261,415 to landfill closure liabilities to remove the adjustment to the liability recognized at December 31, 2022 under the old standard, and an accompanying decrease of \$261,415 to environmental expenses.

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

## 2. Change in accounting policies (continued):

PS 3280 Asset Retirement Obligations (continued):

- (ii) An increase to the asset retirement obligation of \$44,801, and an accompanying increase to environmental expenses representing the annual accretion of the asset retirement obligation.
- (iii) An increase to amortization expense of \$33,455, and an accompanying increase to accumulated amortization, representing the amortization of the increased infrastructure capital asset.

(b) Asbestos obligation:

- (i) An increase of \$266,966 to the building capital asset account, representing the original estimate of the obligation as of the date of purchase, and an accompanying increase of \$227,746 to accumulated amortization, representing increased amortization recorded over the useful life of the asset had the liability originally been recognized.
- (ii) An asset retirement obligation in the amount of \$266,966, representing an estimate of the current obligation.
- (iii) A decrease to accumulated surplus of \$227,746, as a result of the recognition of the liability and accompanying increase in amortization expense.

Furthermore, the Town reflected the following adjustment at December 31, 2022:

- (i) An increase to amortization expense of \$1,951, and an accompanying increase to accumulated amortization, representing the amortization of the increased building capital asset.

## 3. Operations of school boards:

During 2023, the Town collected and transferred property taxes totaling \$837,564 (2022 - \$865,152) on behalf of area school boards.

## 4. Taxes receivable:

	2023	2022
Current	\$ 602,686	\$ 583,745
Prior years	763,938	757,340
	1,366,624	1,341,085
Allowance for doubtful accounts	(222,886)	(222,886)
	\$ 1,143,738	\$ 1,118,199

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

## 5. Contributions to non-consolidated joint local boards:

Further to note 1(a)(ii), contributions were made by the Town to the following non-consolidated joint local boards:

	2023	2022
Algoma Public Health	\$ 138,382	\$ 139,685
Algoma District Services Administration Board	1,267,423	1,219,875
	<u>\$ 1,405,805</u>	<u>\$ 1,359,560</u>

The Town is contingently liable for its share of any accumulated deficit as at the end of the year for these boards. Neither board reported a deficit at December 31, 2023.

## 6. Accounts receivable:

	2023	2022
Current year	\$ 1,766,022	\$ 1,272,833
Allowance for doubtful accounts	—	—
	<u>\$ 1,766,022</u>	<u>\$ 1,272,833</u>

Included within accounts receivable is \$204,806 (2022 - \$135,000) owing from related parties. The amounts are non-interest bearing and due on demand.

## 7. Investment in government business enterprise:

The Town owns 100% interest of North Shore Power Group Inc. ("NSPG"). NSPG is accounted for using the modified equity basis in these consolidated financial statements. NSPG serves as a renewable energy provider to Ontario Power Generation. The financial statements of NSPG were prepared in accordance with International Financial Reporting Standards.

The following table provides condensed supplementary financial information in respect of the Town's government business enterprise, NSPG, for the year ended December 31, 2023, with comparative figures for 2022.

	2023	2022
<b>Assets</b>		
Current assets	\$ 3,570,097	\$ 3,403,971
Long-term receivables	941,386	953,395
Investment in limited partnership	1,325,734	1,253,609
Deferred tax asset	1,480,009	1,371,465
Right-of-use asset	84,271	48,474
Capital assets	7,025,748	6,869,455
	<u>\$ 14,427,245</u>	<u>\$ 13,900,369</u>

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

## 7. Investment in government business enterprise (continued):

	2023	2022
<b>Liabilities and Shareholders' Deficiency</b>		
Current liabilities	\$ 1,445,884	\$ 1,292,234
Long-term debt	17,247,495	20,060,931
Lease liability	60,710	37,152
Asset retirement obligation	512,507	284,000
	19,266,596	21,674,317
Shareholders' deficiency:		
Share capital	144,501	144,501
Accumulated deficit	(4,983,852)	(7,918,449)
	4,839,351	(7,773,948)
	\$ 14,427,245	\$ 13,900,369

	2023	2022
<b>Results of operations:</b>		
Operating revenue	\$ 2,021,908	\$ 1,907,658
Expenses	(3,055,720)	(4,011,983)
Loss before undernoted items	(1,033,812)	(2,104,325)
Other income	3,859,866	3,757,876
Future taxes recovery	108,543	366,772
Income and comprehensive income	\$ 2,934,597	\$ 2,020,323

The investment in government business enterprises is determined as follows:

	2023	2022
North Shore Power Group Inc., beginning of year	\$ 1	\$ 1
Comprehensive income for the year	2,934,597	2,020,323
Adjustment to investment	(2,934,597)	(2,020,323)
Net change in investment of North Shore Power Group Inc.	—	—
Investment in North Shore Power Group Inc., end of year	\$ 1	\$ 1

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

## 8. Advances to related companies:

Amounts due from North Shore Power Group Inc.:

	2023	2022
Due from North Shore Power Group Inc., repayable in blended annual payments of \$1,115,324, with interest at 4.03% per annum, including accrued interest of \$406,327 (2022 - \$416,720)	\$ 12,163,185	\$ 12,790,212
Due from North Shore Power Group Inc., without interest calculated at amortized cost using the effective interest rate method at 4.03% per annum, including accrued interest of \$4,760,619 (2022 - \$3,371,417), due in one balloon payment at maturity on April 1, 2037	9,494,218	9,589,144
	<u>\$ 21,657,403</u>	<u>\$ 22,379,356</u>

## 9. Line of credit:

The Town has an authorized line of credit from Royal Bank of Canada in the amount of \$1,000,000 bearing interest at bank prime. At December 31, 2023, the balance was \$Nil (2022 - \$Nil).

## 10. Deferred revenue:

Deferred revenue is funding received in the current and prior years for expenditures which were not incurred in the current or prior years. Deferred revenue - obligatory reserve funds are restricted in their use and, until applied to applicable expenditures, are recorded as deferred revenue. These revenues will be matched against the applicable future expenditures as they are incurred.

	2023	2022
Deferred revenue – general	\$ 504,312	\$ 400,394
Deferred revenue – OCIF	754,954	1,308,871
Deferred revenue – obligatory reserve funds (note 11)	420,979	556,031
	<u>\$ 1,680,245</u>	<u>\$ 2,265,296</u>

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

## 11. Deferred revenue – obligatory reserve fund:

A requirement of the public sector accounting standards is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as federal, provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds are summarized as follows:

	2023	2022
Gasoline tax – Federal	\$ 308,092	\$ 458,900
Gasoline tax – Provincial	112,887	97,131
	\$ 420,979	\$ 556,031

## 12. Asset retirement obligation:

The Town's asset retirement obligation consists of several obligations as follows:

### (a) Landfill obligation:

The Town owns and operates a landfill site. The liability for the closure of operational sites and post-closure care has been recognized under PS 3280 *Asset Retirement Obligations*. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 30 years post this date.

The landfill is expected to reach its capacity in 2024, and the estimated remaining capacity is 1,758 cubic meters, which is 1.5% of the site's total capacity.

Post-closure care for the landfill site is estimated to be required for 30 years from the date of site closure. These costs were discounted to December 31, 2023 using a discount rate of 3% per annum.

### (b) Asbestos obligation:

The Town owns and operates a building that may contain asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove or remediate it. Following the adoption of PS3280 *Asset Retirement Obligations*, the Town recognized an obligation relating to the removal and post-removal care of the asbestos in this building as estimated at January 1, 2022. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate the asbestos containing material in accordance with current legislation.

The transition and recognition of asset retirement obligations involved an accompanying increase to the landfill and building capital assets and the restatement of prior year numbers (see note 2).

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

## 12. Asset retirement obligation (continued):

Changes to the asset retirement obligation in the year are as follows:

Asset Retirement Obligation	Landfill closure	Asbestos removal	Balance at December 31, 2023
Opening balance	\$ 1,538,162	\$ 266,966	\$ 1,805,128
Increase in the obligation	46,145	43,080	89,225
Closing balance	\$ 1,584,307	\$ 310,046	\$ 1,894,353

Asset Retirement Obligation	Landfill closure	Asbestos removal	Balance at December 31, 2022
Opening balance	\$ —	\$ —	\$ —
Adjustment on adoption of the asset retirement obligation standard (note 2)	1,493,361	266,966	1,760,327
Opening balance as restated	1,493,361	266,966	1,760,327
Increase in the obligation	44,801	—	44,801
Closing balance	\$ 1,538,162	\$ 266,966	\$ 1,805,128

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

## 13. Long-term debt:

The balance of long-term debt is comprised of the following:

	2023	2022
Royal Bank of Canada unsecured non-revolving term loan payable in blended monthly payments of \$5,588 including interest at 3.96% per annum, maturing May 2023	\$ —	\$ 86,721
Royal Bank of Canada unsecured non-revolving term loan payable in blended monthly payments of \$14,668, including interest at 3.90% per annum, maturing February 2028	678,275	821,532
Royal Bank of Canada unsecured non-revolving term loan payable in blended monthly payments of \$11,402, including interest at 3.90% per annum, maturing March 2023	—	33,655
Royal Bank of Canada unsecured construction loan with interest payable monthly at prime plus 0.1% per annum, maximum of \$3,500,000 may be drawn on this loan	2,680,364	—
Realterm Energy Corp. unsecured LED streetlight financing, repayable in variable blended monthly installments ranging from \$7,679 to \$9,754 including interest of 4.74% per annum, payments will be inflated by 2% each year, maturing December 2025	219,914	317,926
Ontario Infrastructure Projects Corporation debenture repayable in blended semi-annual payments of \$65,568, including interest at 5.3% per annum, maturing September 2027	486,209	584,210
Ontario Infrastructure Projects Corporation debenture repayable in blended semi-annual payments of \$28,328, including interest at 5.34% per annum, maturing September 2037	563,456	593,933
CMHC debenture, repayable in blended annual payments of \$1,115,324, with interest at 4.03% per annum, including accrued interest of \$406,327 (2022 - \$416,720), maturing March 1, 2037	12,163,185	12,790,212
CMHC debenture, without interest, calculated at amortized cost using the effective interest rate method at 4.03% per annum, including accrued interest of \$4,760,619 (2022 - \$3,371,417), due in one balloon payment at maturity on March 1, 2037	9,494,218	9,589,144
	<b>\$ 26,285,621</b>	<b>\$ 24,817,333</b>



# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Financial Statements

Year ended December 31, 2023

---

## 13. Long-term debt (continued):

The principal repayments are as follows:

---

2024	\$ 1,027,850
2025	1,074,759
2026	1,123,798
2027	1,052,208
2028	807,485
Thereafter	25,617,389
	<hr/> 30,703,489
Less: accrued interest	(4,417,868)
	<hr/> \$ 26,285,621

---

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Consolidated Notes to Financial Statements

Year ended December 31, 2023

## 14. Tangible capital assets:

Cost	Balance at December 31, 2022	Additions	Disposals/ reclassifications	Balance at December 31, 2023
(Restated - note 2)				
Land	\$ 84,615	-	(2)	84,613
Land improvements	5,793,394	406,202	(30,000)	6,169,596
Buildings	15,322,872	260,009	(1,380,182)	14,202,699
Machinery and equipment	6,902,019	653,127	(109,682)	7,445,464
Vehicles	3,265,658	-	-	3,265,658
Furniture and fixtures	441,204	97,225	-	538,429
Infrastructure	100,834,758	2,037,686	-	102,872,444
Construction in progress	1,757,641	6,128,683	(642,822)	7,243,502
<b>Total</b>	<b>\$ 134,402,161</b>	<b>9,582,932</b>	<b>(2,162,688)</b>	<b>141,822,405</b>

Accumulated Amortization	Balance at December 31, 2022	Amortization	Disposals	Balance at December 31, 2023
(Restated - note 2)				
Land	\$ -	-	-	-
Land improvements	1,793,085	222,231	(30,000)	1,985,316
Buildings	8,078,153	353,366	(449,795)	7,981,724
Machinery and equipment	4,803,599	275,801	(68,551)	5,010,849
Vehicles	846,290	162,826	-	1,009,116
Furniture and fixtures	334,929	35,986	-	370,915
Infrastructure	68,380,469	2,359,644	-	70,740,113
Construction in progress	-	-	-	-
<b>Total</b>	<b>\$ 84,236,525</b>	<b>3,409,854</b>	<b>(548,346)</b>	<b>87,098,033</b>

	Net book value, December 31, 2022	Net book value, December 31, 2023
(Restated - note 2)		
Land	\$ 84,615	84,613
Land improvements	4,000,309	4,184,280
Buildings	7,244,719	6,220,975
Machinery and equipment	2,098,420	2,434,615
Vehicles	2,419,368	2,256,542
Furniture and fixtures	106,275	167,514
Infrastructure	32,454,289	32,132,331
Construction in progress	1,757,641	7,243,502
<b>Total</b>	<b>\$ 50,165,636</b>	<b>54,724,372</b>

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Consolidated Notes to Financial Statements

Year ended December 31, 2023

## 14. Tangible capital assets (continued):

Cost	Balance at December 31, 2021 (Restated - note 2)	Additions	Disposals/ reclassifications	Balance at December 31, 2022 (Restated - note 2)
Land	\$ 84,615	-	-	84,615
Land improvements	2,952,879	2,883,640	(43,125)	5,793,394
Buildings	15,233,658	330,956	(241,742)	15,322,872
Machinery and equipment	6,559,207	430,646	(87,834)	6,902,019
Vehicles	2,181,494	1,357,590	(273,426)	3,265,658
Furniture and fixtures	372,662	68,542	-	441,204
Infrastructure	100,537,718	297,040	-	100,834,758
Construction in progress	667,405	1,632,697	(542,461)	1,757,641
<b>Total</b>	<b>\$ 128,589,638</b>	<b>7,001,111</b>	<b>(1,188,588)</b>	<b>134,402,161</b>

Accumulated Amortization	Balance at December 31, 2021 (Restated - note 2)	Amortization	Disposals	Balance at December 31, 2022 (Restated - note 2)
Land	\$ -	-	-	-
Land improvements	1,689,722	145,410	(42,047)	1,793,085
Buildings	7,950,760	361,150	(233,757)	8,078,153
Machinery and equipment	4,617,608	254,506	(68,515)	4,803,599
Vehicles	950,666	134,921	(239,297)	846,290
Furniture and fixtures	306,533	28,396	-	334,929
Infrastructure	65,953,492	2,426,977	-	68,380,469
Construction in progress	-	-	-	-
<b>Total</b>	<b>\$ 81,468,781</b>	<b>3,351,360</b>	<b>(583,616)</b>	<b>84,236,525</b>

	Net book value, December 31, 2021 (Restated - note 2)	Net book value, December 31, 2022 (Restated - note 2)
Land	\$ 84,615	84,615
Land improvements	1,263,157	4,000,309
Buildings	7,282,898	7,244,719
Machinery and equipment	1,941,599	2,098,420
Vehicles	1,230,828	2,419,368
Furniture and fixtures	66,129	106,275
Infrastructure	34,584,226	32,454,289
Construction in progress	667,405	1,757,641
<b>Total</b>	<b>\$ 47,120,857</b>	<b>50,165,636</b>

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

## 15. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2023	2022 (Restated - note 2)
Equity in tangible capital assets (note 16)	\$ 50,784,636	\$ 48,677,512
General Fund	(3,259,859)	(2,508,102)
Government Business Enterprises (note 7)	1	1
Amounts to be recovered:		
Asset retirement obligations	(1,894,353)	(1,805,128)
	45,630,425	44,364,283
Reserve and reserve funds set aside for specific purpose by Council:		
Nuclear Waste Management Organization	413,855	664,615
Asset Retirement Obligation	910,822	873,916
Future Projects	340,429	320,157
Facilities	1,121,638	778,390
Prior Year	455,123	481,769
Fire Truck	(376,649)	(714,649)
Bridges	484,948	338,648
Roads	63,885	155,893
Other specific purpose reserves	3,516,056	2,596,898
	6,930,107	5,495,637
Accumulated surplus	\$ 52,560,532	\$ 49,859,920

## 16. Equity in tangible capital assets:

The Town's equity in tangible capital assets is represented by:

	2023	2022 (Restated - note 2)
Tangible capital assets (note 14)	\$ 141,822,405	\$ 134,402,161
Accumulated amortization (note 14)	(87,098,033)	(84,236,525)
Long-term debt utilized for capital purposes	(3,939,736)	(1,488,124)
Equity in tangible capital assets	\$ 50,784,636	\$ 48,677,512

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

---

## **17. Contractual obligations:**

The Town has entered into a police services contract with the Province of Ontario for the provision of police services within municipal boundaries. The contract expires December 31, 2024, with an annual fee estimate provided for the upcoming year. The fee estimate for 2023 is \$879,638. During 2023, \$899,924 (2022 - \$931,709) was expended on police services.

## **18. Employee post-employment benefit obligations:**

OMERS provides pension services to more than 500,000 active and retired members and approximately 1000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the "Plan") by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2023. The results of this valuation disclosed total going concern actuarial liabilities of \$136,185 million (2022 - \$130,306 million) in respect of benefits accrued for service with total going concern actuarial assets at that date of \$131,983 million (2022 - \$123,628 million) indicating a going concern actuarial deficit of \$4,202 million (2022 - \$6,678 million). Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees and the Authority's share is not determinable. As a result, the Town does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed to OMERS for 2023 was \$437,142 (2022 - \$365,473) and is included as an expense within salaries and benefits in the consolidated statement of operations and accumulated surplus.

## **19. Budget information:**

The Town completes separate budget reviews for its operating and capital budgets each year. The approved operating budget for 2023 is reflected on the Consolidated Statement of Operations and has been reclassified to comply with PSAB reporting requirements. Budgets established for Reserves and Reserve Funds are on a project-oriented basis, the costs of which may be carried out over one or more years and funding is determined annually and made by transfers from individual funds and by the application of applicable grants or other funds available to reserves or reserve funds. During 2023, council approved net transfers of \$623,615 (2022 - \$574,603) from reserves and reserve funds for capital projects. As such, they are not directly comparable with current year actual amounts and budgets have therefore not been reflected within the Consolidated Statement of Operations.

## **20. Provincial offences act administration:**

The Provincial Offences Act (POA) is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-laws and minor federal offences. The City of Elliot Lake, Town of Blind River, Town of Spanish and the Township of North Shore have signed an agreement to contribute towards the net operating costs of the POA for the region.

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

---

## 20. Provincial offences act administration (continued):

The total net operating contribution required for the POA by all municipal partners for the year amounted to \$47,608 (2022 - \$66,083), resulting in a net contribution to the Town of \$(11,050) (2022 - \$(15,338)), exclusive of capital costs. The Town's share is 23.21% (2022 - 23.21%)

## 21. Financial instruments:

The Town is exposed to various risks through its financial instruments. The following analysis provides information about the Town's risk exposure and concentration as of December 31, 2023.

### (a) Credit risk:

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Town has a significant number of customers and ratepayers which minimizes concentration of credit risk. Further, the Town has available to it a tax registration process to recover unpaid municipal taxes by way of forced transfer of properties with multi-year arrears.

The Town is exposed to credit risk with the amounts due from North Shore Power Group Inc. ("NSPG") In previous years, an impairment of the interest owing from NSPG was recorded. As a result of improved operating results for NSPG over the last number of years the credit risk associated with these amounts is reduced. Management continues to monitor the ongoing operations and budget for NSPG on an annual basis to assess the credit risk associated with the amounts owing.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

### (b) Liquidity risk:

Liquidity risk is the risk that the Town cannot repay its obligations when they become due to its creditors. The Town is exposed to this risk relating to its accounts payable and accrued liabilities and long-term debt.

The Town reduces its exposure to liquidity risk by monitoring cash activities and expected outflow through extensive budgeting and maintaining enough cash and credit facilities available to repay creditors as they become due. In the opinion of management the liquidity risk exposure to the Town is low.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

### (c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Town is exposed to this risk mainly in respect of certain bank credit facilities.

The Town has interest rate exposure on its credit facilities, which are variable based on the prime rate of interest and at renewal of credit facilities with fixed rates of interest.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

---

## **22. Contingencies and guarantees:**

The Town is involved in claims and litigation in the normal course of operations. Any settlements or awards will be recorded in the period they become determinable.

## **23. Comparative information:**

Certain 2022 comparative information has been reclassified to conform with the presentation adopted in the current year. Such reclassifications have no impact on the annual surplus of the current or comparative period.

## **24. Segmented information:**

The Town of the Town of Blind River is a diversified municipal government that provides a wide range of services to its citizens. For management reporting purposes, the Town'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.

The Town's services are provided by departments and their activities are recorded in these funds. Certain departments that have been disclosed in the segmented information, along with the services they provide, are as follows:

### **GENERAL GOVERNMENT**

This segment encompasses all administrative support for governance and corporate management for the operations of the Town, and the costs have been allocated to the appropriate segment.

### **PROTECTION SERVICES**

Protection services is comprised of fire and police protection, animal control, building permits and inspectors. The fire department is responsible for providing fire suppression services, fire prevention and training and education related to prevention detection or extinguishment of fires. The Town has a contract with the Ontario Provincial Police (through agreement with the Town) to provide services relating to the safety of persons and property, and transportation of prisoners.

### **TRANSPORTATION SERVICES**

The public works department is responsible for the delivery of municipal public works services related to planning, development and maintenance of roadway systems, sidewalks and open space and street lighting.

### **ENVIRONMENTAL SERVICES**

Environmental services consists of three distinct utilities - water, wastewater and solid waste disposal. The public works department provides drinking water to citizens of Blind River, collects and treats wastewater, and provides collection, disposal and waste minimization programs and facilities for solid waste.

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Notes to Consolidated Financial Statements

Year ended December 31, 2023

---

## **24. Segmented information (continued):**

### HEALTH SERVICES

The Town provides cemetery services to its citizens. It also provides public health services through participation in joint local boards.

### RECREATION AND CULTURAL SERVICES

The Town provides recreation and leisure services such as fitness and skating programs along with library service. It operates an arena, a museum, an art gallery, various parks and a marina.

### PLANNING AND DEVELOPMENT

The planning department exists of a board that oversees the adherence of by-laws pertaining to zoning and land use of the Town. Committees review applications for changes and ensure that the official plan is appropriate for the future development of the Town. Commercial and industrial planning and development, residential development, agriculture and reforestation are all part of the planning department.

The accounting used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1.



# THE CORPORATION OF THE TOWN OF BLIND RIVER

## Note 24 - Segmented Information (continued)

Year ended December 31, 2023

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2023 Total
Revenues:								
Government Grants - Provincial	\$ 2,621,000	18,932	9,459	1,824,874	-	21,755	631,801	\$ 5,127,821
- Federal	-	-	700,303	56,076	-	62,465	2,170	821,014
Taxation	7,241,576	-	-	-	-	-	-	7,241,576
Other	231,296	17,567	750	-	-	1,220,711	468,559	1,938,883
User Charges	209,578	69,979	27,841	1,852,641	41,754	289,999	23,895	2,515,687
Gain (loss) on sale of assets	-	(31,521)	-	-	-	-	-	(31,521)
	10,303,450	74,957	738,353	3,733,591	41,754	1,594,930	1,126,425	17,613,460
Expenses:								
Salaries, wages and benefits	794,941	327,244	885,376	81,876	19,792	1,385,886	183,380	3,678,495
Goods and services	384,903	168,798	676,776	461,530	6,436	1,088,085	95,177	2,881,705
Contracted services	141,662	951,360	174,142	1,480,467	-	18,158	114,313	2,880,102
Interest	406,327	-	50,178	68,902	-	1,247	-	526,654
Amortization of tangible capital assets	32,723	114,392	1,775,089	962,727	6,116	476,348	42,459	3,409,854
Financial expenses	25,552	-	5,851	55,719	-	43,111	-	130,233
External transfers	-	-	-	-	1,405,805	-	-	1,405,805
	1,786,108	1,561,794	3,567,412	3,111,221	1,438,149	3,012,835	435,329	14,912,848
Excess (deficiency) of revenues over expenses	\$ 8,517,342	(1,486,837)	(2,829,059)	622,370	(1,396,395)	(1,417,905)	691,096	\$ 2,700,612

# THE CORPORATION OF THE TOWN OF BLIND RIVER

## Note 24 - Segmented Information (continued)

Year ended December 31, 2023

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2022 Total
								(Restated - note 2)
Revenues:								
Government Grants - Provincial	\$ 2,669,990	15,671	785,578	18,059	-	23,569	717,265	\$ 4,230,132
- Federal	-	-	248,000	-	-	1,194,858	2,073	1,444,931
Taxation	6,835,261	-	-	-	-	-	-	6,835,261
Other	249,508	22,026	-	2,310	-	991,665	847,015	2,112,524
User Charges	174,045	52,283	20,041	1,785,424	26,465	215,918	23,274	2,297,450
Gain on sale of assets	-	10,103	-	-	-	-	-	10,103
	9,928,804	100,083	1,053,619	1,805,793	26,465	2,426,010	1,589,627	16,930,401
Expenses:								
Salaries, wages and benefits	756,647	240,932	759,491	108,627	25,386	1,188,352	153,394	3,232,829
Goods and services	465,479	530,682	697,718	532,378	7,340	788,833	109,843	3,132,273
Contracted services	136,472	985,551	212,327	1,425,283	14,753	6,905	43,656	2,824,947
Interest	744,992	-	52,320	70,146	-	4,115	-	871,573
Amortization of tangible capital assets	32,500	93,975	1,784,506	1,005,673	6,583	380,905	47,218	3,351,360
Financial expenses	58,529	-	-	47,949	-	1,030	-	107,508
External transfers	-	-	-	-	1,359,560	-	-	1,359,560
	2,194,619	1,851,140	3,506,362	3,190,056	1,413,622	2,370,140	354,111	14,880,050
Prior year impairment reversal								8,359,202
Excess (deficiency) of revenues over expenses	\$ 7,734,185	(1,751,057)	(2,452,743)	(1,384,263)	(1,387,157)	55,870	1,235,516	\$ 10,409,553

# THE CORPORATION OF THE TOWN OF BLIND RIVER

Huron Pines Golf & Country Club Inc.  
Schedule of Operations

Schedule 1

For the year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Sales	\$ 622,185	\$ 554,821
Rental	236,457	208,955
Golf shop revenue	87,149	76,744
Other Income	116,746	83,303
Total revenue	1,062,537	923,823
Expenses:		
Salaries and benefits	377,509	333,498
Golf course	230,524	189,264
Golf shop cost of goods sold	41,127	66,490
Amortization	69,087	56,320
Utilities	32,303	33,360
Office and general	20,818	20,526
Repairs and maintenance	24,760	25,803
Interest charges	11,082	11,390
Professional fees	3,500	8,964
Equipment rental	-	3,166
Association fees	3,794	2,617
Advertising	838	274
Total expenses	815,342	751,672
Transfer to capital	-	106,495
Annual surplus	\$ 247,195	\$ 65,656

