

**THE CORPORATION OF THE  
TOWN OF SPANISH  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**



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## INDEPENDENT AUDITORS' REPORT

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To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Spanish

### ***Opinion***

We have audited the accompanying financial statements of the **Corporation of the Town of Spanish (the "Town")**, which comprise the consolidated statement of financial position as at **December 31, 2023**, and the consolidated statements of operations, changes in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the **Town** as at **December 31, 2023**, and results of its consolidated 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 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 **Town** 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 **Town'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 **Town** or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the **Town's** 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 Town'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 **Town'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 Town 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Suraci & Olaszewski LLP*

**Chartered Professional Accountants, Licensed Public Accountants**  
**Sault Ste. Marie, Canada**  
**July 3, 2024**

**THE CORPORATION OF THE TOWN OF SPANISH  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

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

**FINANCIAL ASSETS**

Cash and temporary investments	\$ 1,729,442	\$ 1,572,974
Taxes receivable (note 2)	153,164	212,736
User charges receivable	51,783	63,673
Grants receivable	421,276	446,856
Other accounts receivable	88,523	95,565
	2,444,188	2,391,804

**FINANCIAL LIABILITIES**

Accounts payable and accrued liabilities	225,200	238,721
Deferred revenue and obligatory reserve funds (note 3)	803,586	691,183
Landfill site closure and post-closure liabilities (note 4)	207,779	207,779
	1,236,565	1,137,683

<b>NET FINANCIAL ASSETS</b> (note 5)	1,207,623	1,254,121
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**NON - FINANCIAL ASSETS**

Tangible capital assets (note 11)	17,209,541	17,109,902
Inventory	25,985	16,465
Prepaid expenses	55,233	41,073
	17,290,759	17,167,440

<b>ACCUMULATED SURPLUS</b>	\$18,949,230	\$18,619,142
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**Commitment (note 13)**

APPROVED ON BEHALF OF COUNCIL:

\_\_\_\_\_ Mayor

\_\_\_\_\_ CAO/Clerk-Treasurer

**THE CORPORATION OF THE TOWN OF SPANISH  
CONSOLIDATED STATEMENT OF OPERATIONS**

<b>YEAR ENDED DECEMBER 31,</b>	<b>Budget</b>	<b>2023</b>	<b>2022</b>
<b>REVENUE</b>			
<b>Taxation</b>			
Residential and Farm	\$ 741,044	\$ 742,531	\$ 709,584
Commercial, industrial and business	77,368	80,789	78,483
Other governments and agencies	12,100	12,100	11,630
	830,512	835,420	799,697
Deduct:			
Amounts Raised on behalf of the school boards	97,298	97,758	96,947
	733,214	737,662	702,750
<b>Government Transfers</b>			
Government of Canada	61,421	88,776	293,158
Province of Ontario	597,520	972,834	889,585
Other Municipalities	-	930	747
	658,941	1,062,540	1,183,490
<b>User Charges</b>			
Sewer and water charges	273,387	272,690	276,276
Fees, service charges and donations	548,853	576,460	495,019
	822,240	849,150	771,295
<b>Other</b>			
Licenses and permits	7,195	4,505	7,132
Investment Income	18,000	65,302	27,787
Penalties and interest charges	30,000	31,518	27,275
	55,195	101,325	62,194
<b>TOTAL REVENUE</b>	<b>2,269,590</b>	<b>2,750,677</b>	<b>2,719,729</b>
<b>EXPENDITURES</b>			
General government	450,434	463,019	433,371
Protection to persons and property	303,428	333,548	271,313
Transportation services	359,905	401,759	396,480
Environmental services	417,664	422,305	458,742
Health services	135,250	225,594	147,553
Social and family services	90,937	90,937	87,854
Recreation and cultural services	411,778	472,075	451,074
Planning and development	12,530	11,352	15,026
<b>TOTAL EXPENDITURES</b>	<b>2,181,926</b>	<b>2,420,589</b>	<b>2,261,413</b>
<b>ANNUAL SURPLUS</b>	<b>87,664</b>	<b>330,088</b>	<b>458,316</b>
<b>Accumulated Surplus, beginning of year</b>	<b>18,619,142</b>	<b>18,619,142</b>	<b>18,160,826</b>
<b>Accumulated Surplus, end of year</b>	<b>\$18,706,806</b>	<b>\$18,949,230</b>	<b>\$18,619,142</b>

**THE CORPORATION OF THE TOWN OF SPANISH  
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

<b>AS AT DECEMBER 31,</b>	<b>Budget</b>	<b>2023</b>	<b>2022</b>
<b>ANNUAL SURPLUS</b>	\$ 87,664	\$ 330,088	\$ 458,316
Acquisition of Tangible capital assets	(1,375,630)	(580,607)	(614,923)
Amortization of Tangible capital assets	-	480,968	475,918
	(1,287,966)	230,449	319,311
Utilization (acquisition) of Inventories	-	(9,520)	598
Acquisition of Prepaid expenses	-	(14,160)	(10,174)
<b>CHANGE IN NET FINANCIAL ASSETS</b>	(1,287,966)	206,769	309,735
<b>Net Financial Assets</b> , beginning of Year	1,451,702	1,451,702	1,141,967
<b>Net Financial Assets</b> , end of Year	\$ 163,736	\$ 1,658,471	\$ 1,451,702

**THE CORPORATION OF THE TOWN OF SPANISH  
CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>YEAR ENDED DECEMBER 31,</b>	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>ANNUAL SURPLUS</b>	\$ 330,088	\$ 458,316
<b>Annual amortization</b>	480,968	475,918
<b>Uses:</b>		
Increase in taxes receivable	-	(51,111)
Increase in user charges receivable	-	(17,690)
Increase in grants receivable	-	(182,022)
Increase in inventory	(9,520)	-
Increase in prepaid expenses	(14,160)	(10,174)
Decrease in accounts payable and accrued liabilities	(13,521)	(42,051)
	(37,201)	(303,048)
<b>Sources:</b>		
Decrease in taxes receivable	59,572	-
Decrease in user charges receivable	11,890	-
Decrease in grants receivable	25,580	-
Decrease in other accounts receivable	7,042	54,207
Decrease in inventory	-	598
Increase in deferred revenue and obligatory reserve funds	112,403	110,381
	216,487	165,186
<b>Net increase in cash from operating activities</b>	<b>990,342</b>	<b>796,372</b>
<b>CASH FLOWS FROM CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(580,607)	(614,923)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Landfill closure and post-closure liability	-	(39,920)
<b>Net increase (decrease) in cash and equivalents</b>	<b>409,735</b>	<b>141,529</b>
Cash and cash equivalents, beginning of year	1,770,555	1,629,026
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 2,180,290</b>	<b>\$ 1,770,555</b>

# **THE CORPORATION OF THE TOWN OF SPANISH**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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The Corporation of the Town of Spanish ("the Town") is a municipality in the province of Ontario, Canada. The Town 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**

#### **MANAGEMENT RESPONSIBILITY**

The consolidated financial statements of the Corporation of the Town of Spanish are the representation of management, prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board (PSAB) of the Chartered Professional Accountants of Canada.

#### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE TOWN**

##### **REPORTING ENTITY**

These consolidated financial statements reflect the assets, liabilities, operating revenues and expenditures, reserve funds and reserves and tangible capital assets of the Town of Spanish. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of the financial affairs and resources of the Town, and which are controlled by the Council.

Spanish Public Library Board  
Mount Calvary Cemetery Board

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

##### **NON-CONSOLIDATED ENTITIES**

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

Algoma Health Unit  
Algoma District Services Administration Board

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

##### **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 financial statements except to record any resulting receivable or payable balance with the Town.

##### **TRUST FUNDS**

Trust funds and their related operations administered by the Town are not consolidated, but are reported separately on the Trust Funds financial statements.

##### **BASIS OF ACCOUNTING - ACCRUAL ACCOUNTING**

Sources of revenue 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.



# THE CORPORATION OF THE TOWN OF SPANISH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 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 for the year.

### 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>
Buildings and building components	20-80
Roads and bridges	40-75
Automotive equipment	10-35
Equipment	18-60
Marina	25-60
Water and Sewer	10-200

Asset additions are amortized at one half of the annual rate in the year of acquisition. Assets under construction are capitalized as work-in-process but not amortized until the asset is available for productive use.

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

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

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

### INVENTORY

Inventories held for consumption are recorded at the lower of cost and replacement cost. Inventory held for resale is recorded at the lower of cost and net realizable value.

### 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.

# **THE CORPORATION OF THE TOWN OF SPANISH**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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### **REVENUE RECOGNITION**

Property tax billings are prepared by the Town based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts 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. Once a supplementary assessment roll is received, the Town determines the taxes applicable and renders supplementary tax billings. Supplementary taxation revenues are recorded at the time these bills are issued.

Assessments and related property taxes are subject to appeal by ratepayers. Tax adjustments as a result of appeals are recorded when the result of the appeal is known.

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

### **DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS**

Deferred revenues represent contributions under the authority of Federal and Provincial legislation. These contributions are restricted in their use and, until spent on qualifying projects or expenditures are recorded as deferred revenue. These amounts will be recognized as revenue in the fiscal year the services are performed. From time to time the Town receives development charges under the authority of provincial legislation and Town by-laws.

### **RESERVE AND RESERVE FUNDS**

Amounts that are approved by the Town Council are set aside for reserves and reserve funds for future operating and capital purposes. Transfer to/from reserves and reserve funds are an adjustment to the respective fund when approved.

### **FINANCIAL INSTRUMENTS**

The Town initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Town subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market or financial assets or liabilities designated to the fair value category, which are subsequently measured at fair value. Unrealized changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, taxes receivable, user charges receivable, grants receivable and other account receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

**THE CORPORATION OF THE TOWN OF SPANISH  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**USE OF ESTIMATES**

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumption that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these consolidated financial statements include the landfill closure and post-closure liability and estimated useful lives of tangible capital assets.

**BUDGET FIGURES**

Budget figures have been reclassified for the purpose of financial statements to comply with PSAB reporting requirements. The approved operating budget and capital budgets are reflected on the Consolidated Statement of Operations and are unaudited. The budgets established for capital investment in tangible capital assets are on a 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.

**2. TAXES RECEIVABLE:**

	<b>2023</b>	<b>2022</b>
Taxes receivable	\$ 133,814	\$ 185,509
Interest and penalty receivable on outstanding tax balances	19,350	27,227
	<b>\$ 153,164</b>	<b>\$ 212,736</b>

**3. DEFERRED REVENUE AND OBLIGATORY RESERVE FUNDS CONTINUITY:**

	<b>2023</b>	<b>2022</b>
Balance, beginning of year:	\$ 691,183	\$ 580,802
Contributions	400,576	296,587
	1,091,759	877,389
Contributions used	(288,173)	(186,206)
Balance, end of year	\$ 803,586	\$ 691,183

**DEFERRED REVENUE AND OBLIGATORY RESERVE FUNDS:**

	<b>2023</b>	<b>2022</b>
Minister of Municipal Affairs and Housing - MMAH	\$ 139,581	\$ 135,394
Ministry of Finance - MOF	78,822	10,722
Ministry of Agriculture, Food and Rural Affairs - OCIF	345,117	315,189
Federal Gas Tax - obligatory	210,351	200,306
Other	29,715	29,572
	<b>\$ 803,586</b>	<b>\$ 691,183</b>

**THE CORPORATION OF THE TOWN OF SPANISH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**4. LANDFILL SITE CLOSURE AND POST-CLOSURE LIABILITY:**

Under environmental law in the province of Ontario, there is a requirement for the Town of Spanish to provide for the closure and post-closure care of all active and inactive solid waste landfill sites. Accounting standards require that the costs associated with this requirement are provided for in the accounts over the service life of the landfill site based on its usage on a volumetric basis. The reported liability is based on estimates and assumptions regarding future events using the best information available to management. Actual results will vary from the estimated amounts and the change in the estimate will be recognized on a prospective basis as a change in accounting estimate in the year the change is determined.

The Town's 1990 Landfill Site Design Plan consisted of cells one through ten with the site being in operation since 1988. Recent reporting by the Town's consulting environmental services firm indicates that cells one through five are at capacity and completely filled. Parts of cells six and seven are partially filled while cells eight, nine and ten are empty. Provided that the Ministry of Environment, Conservation and Parks (MECP) allows the Town to complete filling cells six through ten and with a waste generation rate of approximately 1,700 meters cubed per year it is estimated that the municipal site has a remaining life of at least thirteen years.

The liability for closure and post-closure care represents the discounted future cash flows of estimated closure and post-closure care costs using the following rates and assumptions.

Remaining life	9 years
Closure and acquisition costs	Nil
Monitoring period post-closure	20 years
Annual monitoring costs	\$18,150
Total estimated liability	\$ 363,000
Current estimated liability	(207,779)
Amount remaining to be recognized	\$ 155,221

Future cash flows have been discounted using a long-term interest rate of 5.1%.

**5. NET ASSETS:**

The balance on the consolidated statement of financial position of net assets at the end of the year is comprised of the following:

	<b>2023</b>	<b>2022</b>
To be use:		
- for the general increase in taxation and user charges	\$(1,174,560)	\$(1,040,941)
- to be recovered from taxation and user charges for		
Landfill site closure and post-closure liabilities	207,779	207,779
- for the general operations of local boards	12,323	12,998
- for reserves and reserve funds (note 10)	2,162,081	2,074,285
	<b>\$ 1,207,623</b>	<b>\$ 1,254,121</b>

# THE CORPORATION OF THE TOWN OF SPANISH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023

### 6. BUDGET RECONCILIATION

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

	<b>Revenues 2023</b>	<b>Expenditures 2023</b>
Council approved budget		
Operating fund	\$ 2,269,590	\$ 2,181,926
Reserves and Reserve funds	<u>25,925</u>	<u>113,589</u>
	2,295,515	2,295,515
Capital Budget	<u>1,375,630</u>	<u>1,375,630</u>
Total Approved by Council	3,671,145	3,671,145
Less Reserves and Reserve funds	(25,925)	(113,589)
Less Budget Tangible Capital Assets	(1,375,630)	(1,375,630)
Plus: Budgeted amortization expense	<u>NIL</u>	<u>NIL</u>
Budget per Consolidated Statement of Operations	<u>\$ 2,269,590</u>	<u>\$ 2,181,926</u>

### 7. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

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

	<b>2023</b>	<b>2022</b>
Algoma Health Unit	\$ 27,094	\$ 28,645
Algoma District Social Services Administration Board	173,318	167,254
	<u>\$ 200,412</u>	<u>\$ 195,899</u>

The Town is contingently liable for its share of any accumulated deficits of the above boards as well as long-term liabilities issued by other Municipalities for these boards.

### 8. TRUST FUNDS

Trust funds administrated by the Town amounting to \$ 45,349 (2023) \$ 43,259 (2022) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations".

### 9. PENSION AGREEMENTS

The Town makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its eight employees. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS was \$40,240 (2022 - \$30,239) for the current year service and is included as an expenditure on the Consolidated Statement of Operations.

**THE CORPORATION OF THE TOWN OF SPANISH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**10. CONTINUITY OF RESERVES AND RESERVE FUNDS**

	Sub-Total	Working Fund	Building & Equipment	Election
<b>RESERVES</b>				
Balance, Beginning of year	\$ 184,346	\$ 29,489	\$ 154,821	\$ 36
Appropriations from:				
Net assets from operations	1,500	-	-	1,500
Appropriations to:				
Net assets from operations	-	-	-	-
<b>Balance, End of year</b>	<b>\$ 185,846</b>	<b>\$ 29,489</b>	<b>\$ 154,821</b>	<b>\$ 1,536</b>

	Sub -Total	Building & Equipment	Roads Housing & Equipment	Sewers	Fire	Landfill	Landfill Closure	Medical Complex	Medical Equipment	Medical Building Extension	Library	Community Well-Being
<b>RESERVES</b>												
Balance, Beginning of year	\$ 1,487,492	\$ 74,459	\$ 334,731	\$ 74,721	\$ 63,322	\$ 248,106	\$ 102,675	\$ 10,618	\$ 17,455	\$ 124,891	\$ 33,954	402,560
Appropriations from:												
Net assets from operation	366,124	9,546	313,023	-	-	-	20,889	10,727	11,328	611	-	-
Interest	69,048	-	69,048	-	-	-	-	-	-	-	-	-
Appropriations to:												
Net assets from operations	(381,295)	(23,354)	(233,144)	(35,155)	(24,775)	(23,304)	-	-	-	-	(9,352)	(32,211)
<b>Balance, End of year</b>	<b>\$ 1,541,369</b>	<b>\$ 60,651</b>	<b>\$ 483,658</b>	<b>\$ 39,566</b>	<b>\$ 38,547</b>	<b>\$ 224,802</b>	<b>\$ 123,564</b>	<b>\$ 21,345</b>	<b>\$ 28,783</b>	<b>\$ 125,502</b>	<b>\$ 24,602</b>	<b>370,349</b>

	Sub-Total	Modernization Grant	Insurance	Recreation	Planning	Water	Policing	Succession Planning	Marina	Economic Development	Gas Tax Revenue	Cemetery
<b>RESERVES</b>												
Balance, Beginning of year	\$ 402,447	\$ 89,226	\$ -	\$ 19,278	\$ 10,722	\$ 134,770	\$ -	\$ 5,731	\$ 115,249	\$ 15,147	\$ -	\$ 12,324
Appropriations from:												
Net assets from operations	77,001	-	-	-	-	50,310	-	-	26,691	-	-	-
Interest	4,187	4,187	-	-	-	-	-	-	-	-	-	-
Appropriations to:												
Net assets from operation	(48,769)	-	-	-	-	(19,634)	-	-	(29,135)	-	-	-
<b>Balance, End of year</b>	<b>\$ 434,866</b>	<b>\$ 93,413</b>	<b>\$ -</b>	<b>\$ 19,278</b>	<b>\$ 10,722</b>	<b>\$ 165,446</b>	<b>\$ -</b>	<b>\$ 5,731</b>	<b>\$ 112,805</b>	<b>\$ 15,147</b>	<b>\$ -</b>	<b>\$ 12,324</b>

**Total**

<b>RESERVES</b>	
Balance, Beginning of year	\$ 2,074,285
Appropriations from:	
Net assets from operations	444,625
Interest earned	73,235
Appropriations to:	
Net assets from operations	(430,064)
<b>Balance, End of year</b>	<b>\$ 2,162,081</b>

**THE CORPORATION OF THE TOWN OF SPANISH**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**11. 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
Land	\$ 518,584	\$ -	\$ -	\$ 518,584	\$ -	\$ -	\$ -	\$ -	\$ 518,584	\$ 518,584
Buildings	4,123,839	15,000	-	4,138,839	1,669,310	74,496	-	1,743,806	2,395,033	2,454,529
Roads and Bridges	11,109,094	236,947	-	11,346,041	3,294,394	186,338	-	3,480,732	7,865,309	7,814,700
Automotive Equipment	835,926	16,268	-	852,194	577,007	30,413	-	607,420	244,774	258,919
Equipment	619,811	8,353	-	628,164	325,704	31,687	-	357,391	270,773	294,107
Marina	2,791,336	262,501	-	3,053,837	1,981,973	32,510	-	2,014,483	1,039,354	809,363
Water and Sewer	8,487,718	41,538	-	8,529,256	3,613,266	125,524	-	3,738,790	4,790,466	4,874,452
Assets Work-in-process	85,248	-	-	85,248	-	-	-	-	85,248	85,248
	\$28,571,556	\$ 580,607	\$ -	\$29,152,163	11,461,654	\$ 480,968	\$ -	\$11,942,622	\$17,209,541	\$17,109,902

**THE CORPORATION OF THE TOWN OF SPANISH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**11. 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
Land	\$ 518,584	\$ -	\$ -	\$ 518,584	\$ -	\$ -	\$ -	\$ -	\$ 518,584	\$ 518,584
Buildings	4,108,575	15,264	-	4,123,839	1,592,677	76,633	-	1,669,310	2,454,529	2,515,898
Roads and Bridges	9,799,897	502,642	806,555	11,109,094	3,118,979	175,415	-	3,294,394	7,814,700	6,680,918
Automotive Equipment	849,234	36,095	(49,403)	835,926	594,058	32,352	(49,403)	577,007	258,919	255,176
Equipment	600,243	19,568	-	619,811	292,310	33,394	-	325,704	294,107	307,933
Marina	2,776,336	15,000	-	2,791,336	1,949,463	32,510	-	1,981,973	809,363	826,873
Water & Sewer	8,487,718	-	-	8,487,718	3,487,652	125,614	-	3,613,266	4,874,452	5,000,066
Assets Work-in-process	865,449	26,354	(806,555)	85,248	-	-	-	-	85,248	865,449
	\$28,006,036	\$ 614,923	\$ (49,403)	\$28,571,556	\$11,035,139	\$ 475,918	\$ (49,403)	\$11,461,654	\$17,109,902	\$16,970,897



# THE CORPORATION OF THE TOWN OF SPANISH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 12. SEGMENTED INFORMATION - SERVICE BUNDLE

The Town is a diversified municipal government institution that provides a wide range of services to 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 function. These functions were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Town services are provided by departments and their activities are reported according to these functions based on the services they provide, are as follows:

#### **General Government**

General Government consists of Office of the Mayor, Council expenses, Administrative Services (including Clerks, Elections, Communications, Legal and Information Technology Services). Human Resources and Financial Departments. Areas within the General Government respond to the needs of external and internal clients by providing high quality, supportive and responsive services. This function 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 extinguishments 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 function is responsible for Waste Collection, Waste Disposal and Recycling facilities and programs. This function is responsible for providing clean, potable water meeting all regulatory requirements and responsible for repairing breaks and leaks in the water and sewer system. This function produces quality effluents meeting regulatory requirements and minimizing environmental degradation.

#### **Health and Social Services**

This function consists of Cemetery Services as well as the Town's contribution to Algoma Public Health and Algoma District Services Administration Board.

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

This function 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 Town of Spanish is planned and developed in accordance with the Ontario Planning Act, Provincial policies and good planning principles so that the Town is an enjoyable and beautiful community to live, work and play.

**THE CORPORATION OF THE TOWN OF SPANISH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023**

**12. SEGMENTED INFORMATION - SERVICE BUNDLE (CONT'D)**

	General Government		Protection Services		Transportation Services		Environmental Services	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Revenues</b>								
Taxation (net)	\$ 737,662	\$ 702,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Government grants and transfers	619,678	578,742	5,108	4,710	236,593	502,375	10,621	68,611
User Charges & other	37,921	30,768	70	6,726	13,895	15,542	388,956	415,099
Other	101,325	62,194	-	-	-	-	-	-
	1,496,586	1,374,454	5,178	11,436	250,488	517,917	399,577	483,710
<b>Expenditures</b>								
Salaries, wages and benefits	363,282	301,551	30,931	24,325	167,851	173,936	41,685	36,820
Purchases & Materials	51,909	80,205	120,251	59,278	9,578	9,307	93,376	147,558
Contracts & Services	20,404	20,905	176,792	181,028	-	-	145,700	135,847
Financial Expenses	6,449	5,904	-	-	4,160	4,152	3,497	380
Amortization	20,975	24,806	5,574	6,682	220,170	209,085	138,047	138,137
	463,019	433,371	333,548	271,313	401,759	396,480	422,305	458,742
<b>Annual Surplus (deficit)</b>	<b>\$1,033,567</b>	<b>\$ 941,083</b>	<b>\$ (328,370)</b>	<b>\$ (259,877)</b>	<b>\$ (151,271)</b>	<b>\$ 121,437</b>	<b>\$ (22,728)</b>	<b>\$ 24,968</b>

**THE CORPORATION OF THE TOWN OF SPANISH**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023**

**12.SEGMENTED INFORMATION - SERVICE BUNDLE (CONT'D)**

	Health and Social Services		Recreation and Cultural Services		Planning and Development		Total	Total
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Revenues</b>								
Taxation (net)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 737,662	\$ 702,750
Government grants and transfers	-	-	190,540	29,052	-	-	1,062,540	1,183,490
User Charges	113,560	33,029	292,383	269,371	2,365	760	849,150	771,295
Other	-	-	-	-	-	-	101,325	62,194
	113,560	33,029	482,923	298,423	2,365	760	2,750,677	2,719,729
<b>Expenditures</b>								
Salaries, wages and benefits	29,604	2,957	151,950	134,970	311	713	785,614	675,272
Purchases & Materials	76,432	25,868	229,796	224,189	9,936	12,862	591,278	559,267
Contracts & Services	916	916	-	-	-	-	343,812	338,696
Financial Expenses	-	-	4,399	5,925	-	-	18,505	16,361
Other Transfers	200,412	195,899	-	-	-	-	200,412	195,899
Amortization	9,167	9,767	85,930	85,990	1,105	1,451	480,968	475,918
	316,531	235,407	472,075	451,074	11,352	15,026	2,420,589	\$2,261,413
<b>Annual Surplus (deficit)</b>	\$ (202,971)	\$ (202,378)	\$ 10,848	(152,651)	\$ (8,987)	\$ (14,266)	\$ 330,088	\$ 458,316

# THE CORPORATION OF THE TOWN OF SPANISH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 13. COMMITMENT:

The Town has entered into a management service agreement with the Ontario Clean Water Agency (OCWA) to operate and maintain the Town's water treatment plant, distribution system and waste water system. The agreement is for a period of 7 years ending December 31, 2031, at an annual cost of \$106,679.

The Town secured an agreement for waste collection and disposal with GFL Environmental for four years ending February 28, 2027, at an annual cost of \$57,800, plus a 3% increase in each subsequent year. The Town also entered into an agreement for recycling collection and processing services with GFL Environmental for a three year period beginning March 1, 2022. The agreement ends February 28, 2025, at an annual cost of \$11,308, plus a 4% increase in each subsequent year.

### 14. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash and temporary investments, taxes receivable, user charges receivable, grants receivable, other account receivables, accounts payable and accrued liabilities. The nature of the risks to which the Town may be subject to are as follows:

#### **Credit risk**

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Town is exposed to this risk relating to its cash and accounts receivable.

The Town holds its cash accounts with large reputable financial institutions, from which management believes the risk of loss due to credit risk to be remote.

The Town is exposed to credit risk in accounts receivable which includes rate payers, government and other receivables. The Town measures its exposure to credit risk with respect to accounts receivable based on how long the amounts have been outstanding and management's analysis of accounts. In the opinion of management, the credit risk exposure in accounts receivable is considered low and not material. The Town has no allowance for doubtful accounts with respect to its accounts receivable.

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.

#### **Liquidity risk**

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

The Town reduces its exposure to liquidity risk by monitoring cash activities and expected outflow through extensive budgeting and maintaining enough cash to repay trade creditors as payables 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.



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## INDEPENDENT AUDITORS' REPORT

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To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Spanish

### **Opinion**

We have audited the accompanying financial statements of the **Corporation of the Town of Spanish Trust Funds (the "Trust Funds")**, which comprise:

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **Trust Funds** as at **December 31, 2023**, and its results of operations and changes in net assets 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 **Town'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 **Town's Trust Funds** 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 **Town** or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the **Town's Trust Funds** 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 Town's **Trust Funds** 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 **Town's Trust Funds** 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 Town's **Trust Funds** to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Suraci & Olaszewski LLP*

**Chartered Professional Accountants, Licensed Public Accountants**  
**Sault Ste. Marie, Canada**  
**July 3, 2024**

**THE CORPORATION OF THE TOWN OF SPANISH  
STATEMENT OF FINANCIAL POSITION  
TRUST FUNDS**

<b>DECEMBER 31,</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash	\$ 45,349	\$ 43,259
<b>Net Assets</b>	<b>\$ 45,349</b>	<b>\$ 43,259</b>

**THE CORPORATION OF THE TOWN OF SPANISH  
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
TRUST FUNDS**

<b>YEAR ENDED DECEMBER 31,</b>	<b>2023</b>	<b>2022</b>
<b>Net Assets, beginning of year</b>	\$ 43,259	\$ 42,049
<b>Revenues</b>		
Allocation of plot sales	1,890	910
Interest	2,086	460
Monuments and markers	200	300
	4,176	1,670
<b>Expenditures</b>		
Transfers for maintenance purposes	2,086	460
<b>Increase in net assets</b>	2,090	1,210
<b>Net Assets, end of year</b>	\$ 45,349	\$ 43,259



**THE CORPORATION OF THE TOWN OF SPANISH  
NOTES TO FINANCIAL STATEMENTS  
TRUST FUNDS**

**DECEMBER 31, 2023**

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The Cemetery Care and Maintenance Trust is established pursuant to the Cemeteries Act, Ontario. Receipts from the sale of plots are invested in perpetuity and the income thereafter may be used to maintain and improve the Mount Calvary Cemetery.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING**

I) Basis of Consolidation

The trust funds have not been consolidated with the financial statements of the Corporation of the Town of Spanish.

II) Basis of Accounting

The accrual basis of accounting recognizes revenues as they become available and measurable, expenditures are recognized as they are incurred and measurable as a result of a receipt of goods or services and the creation of a legal obligation to pay.

**2. CASH FLOW STATEMENT**

A cash flow statement has not been presented because it would not provide any additional information which is not readily apparent in the other financial statements.



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## INDEPENDENT AUDITORS' REPORT

---

**To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Spanish**

### ***Opinion***

We have audited the accompanying financial statements of the **Corporation of the Town of Spanish Public Library Board (the "Library Board")**, which comprise:

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **Library Board** as at **December 31, 2023**, and its results of operations and changes in net assets 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 Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 **Library Board's** ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's 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 **Library Board's** internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the **Library Board's** ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the **Library Board** to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Suraci & Olaszewski LLP*

**Chartered Professional Accountants, Licensed Public Accountants**

**Sault Ste. Marie, Canada**

**July 3, 2024**

**THE CORPORATION OF THE TOWN OF SPANISH  
STATEMENT OF FINANCIAL POSITION  
LIBRARY BOARD**

<b>DECEMBER 31,</b>	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and investments	\$ 25,034	\$ 34,154
Accounts receivable	2,515	2,606
	<u>27,549</u>	<u>36,760</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	69	100
Deferred contributions	-	60
	<u>69</u>	<u>160</u>
<b>NET ASSETS</b>	<u>27,480</u>	<u>36,600</u>
	<u>\$ 27,549</u>	<u>\$ 36,760</u>

**THE CORPORATION OF THE TOWN OF SPANISH  
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
LIBRARY BOARD**

<b>YEAR ENDED DECEMBER 31,</b>	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>		
Contributions from Town	\$ 52,000	\$ 50,950
User fees	2,723	2,193
Provincial grants	3,020	5,824
Fundraising	993	939
	<u>58,736</u>	<u>59,906</u>
<b>EXPENDITURES</b>		
Salaries	48,422	44,688
Books and tapes	6,708	3,654
Maintenance and utilities	2,972	2,972
Supplies	1,479	1,497
Office	4,049	4,275
Equipment	2,225	2,443
Insurance	1,938	1,645
Fundraising	60	264
Bank Charges	3	13
	<u>67,856</u>	<u>61,451</u>
<b>Annual deficit</b>	(9,120)	(1,545)
<b>Net assets, beginning of year,</b>	36,600	38,145
<b>Net assets, end of year</b>	<u>\$ 27,480</u>	<u>\$ 36,600</u>

**THE CORPORATION OF THE TOWN OF SPANISH  
NOTES TO FINANCIAL STATEMENTS  
LIBRARY BOARD**

**DECEMBER 31, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Corporation of the Town of Spanish Public Library Board are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

**BASIS OF ACCOUNTING**

I) Accrual Accounting

Sources of revenue 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.

II) Inventory of books and supplies

No value is attached to inventories for municipal reporting purposes. Expenditures for books and supplies are charged to operations as they are received.

III) Capital Assets

The historical cost and accumulated amortization of capital assets are not reported. Capital outlays are reported on the statement of operations as incurred.

**2. NET ASSETS**

The balance on the statement of financial position of net assets at the end of the year is comprised of the following:

	<b>2023</b>	<b>2022</b>
To be used:		
- for general reduction of (increase in) user charges	\$ 2,878	\$ 2,646
- for reserve fund	24,602	33,954
	<b>\$ 27,480</b>	<b>\$ 36,600</b>

**3. CASH FLOW STATEMENT**

A cash flow statement has not been presented because it would not provide any additional information which is not readily apparent in the other financial statements.



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## INDEPENDENT AUDITORS' REPORT

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To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Spanish

### **Opinion**

We have audited the accompanying financial statements of the **Mount Calvary Cemetery Board of the Corporation of the Town of Spanish (the "Cemetery Board")**, which comprise:

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **Cemetery Board** as at **December 31, 2023**, and its results of operations and changes in net assets 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 **Cemetery Board** in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 **Cemetery Board's** ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the **Cemetery Board** or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the **Cemetery Board's** 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 **Cemetery Board's** internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the **Cemetery Board's** ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the **Cemetery Board** to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Suraci & Olszewski LLP*

**Chartered Professional Accountants, Licensed Public Accountants**

**Sault Ste. Marie, Canada**

**July 3, 2024**



**THE CORPORATION OF THE TOWN OF SPANISH  
STATEMENT OF FINANCIAL POSITION  
MOUNT CALVARY CEMETERY BOARD**

<b>DECEMBER 31,</b>	<b>2023</b>	<b>2022</b>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 12,323	\$ 12,323
Accounts receivable/payable	3,578	311
Other current assets	5,868	10,042
	<u>\$ 21,769</u>	<u>\$ 22,676</u>
<b>FINANCIAL LIABILITIES</b>		
Net assets	<u>\$ 21,769</u>	<u>\$ 22,676</u>

**THE CORPORATION OF THE TOWN OF SPANISH  
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
MOUNT CALVARY CEMETERY BOARD**

<b>YEAR ENDED DECEMBER 31,</b>	<b>2023</b>	<b>2022</b>
<b>REVENUE</b>		
Sales of plots	\$ 1,771	\$ 1,711
Fundraising	100	-
Opening and closing	1,510	1,320
Maintenance trust fund	2,086	460
Registration fees	500	200
Municipal grant	-	5,835
Cemetery Care and supervisory fee	25	175
	<b>\$ 5,992</b>	<b>\$ 9,701</b>
<b>EXPENDITURES</b>		
Other Operating	\$ 5,162	\$ 3,639
Salaries and Benefits	1,237	1,364
Maintenance and supplies	500	500
	<b>6,899</b>	<b>5,503</b>
<b>Annual surplus (deficit)</b>	<b>(907)</b>	<b>4,198</b>
<b>Net assets, beginning of year</b>	<b>22,676</b>	<b>18,478</b>
<b>Net assets, end of year</b>	<b>\$ 21,769</b>	<b>\$ 22,676</b>

**THE CORPORATION OF THE TOWN OF SPANISH  
NOTES TO FINANCIAL STATEMENTS  
MOUNT CALVARY CEMETERY BOARD**

**DECEMBER 31, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Mount Calvary Cemetery Board are the representation of management prepared in accordance with Canadian public sector accounting standards. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

**BASIS OF ACCOUNTING**

I) Accrual Accounting

Sources of revenue 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.

II) Capital Assets

The historical cost and accumulated amortization of capital assets are not reported. Capital outlays are reported on the statement of operations as incurred.

**TRUST FUND**

Trust funds administered by the Board amounting to \$ 45,349 (2023) - \$ 43,259 (2022) have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Current Fund Operations.

**NET ASSETS**

The balance on the statement of financial position of net assets at the end of the year is comprised of the following:

	<b>2023</b>	<b>2022</b>
To be used:		
- for general reduction of user charges	\$ 9,445	\$ 10,352
- for reserve fund	12,324	12,324
	<b>\$ 21,769</b>	<b>\$ 22,676</b>