

The Corporation of the Township of Billings

Financial Statements

Year ended December 31, 2024

MANAGEMENT RESPONSIBILITY STATEMENT

The accompanying financial statements of The Corporation of the Township of Billings (“the Township”) are the responsibility of the Township’s management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to these financial statements. The preparation of the 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 Township’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 financial statements. These systems are monitored and evaluated by management.

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

The financial statements have been audited by Freelandt Caldwell Reilly LLP, independent external auditors appointed by the Township. The accompanying Independent Auditor’s Report outlines their responsibilities, the scope of their examination and their opinion on the Township’s financial statements.

Mayor
July 15, 2025

Treasurer



INDEPENDENT AUDITOR'S REPORT

To: The Members of Council of
The Corporation Of The Township Of Billings

Opinion

We have audited the financial statements of **The Corporation of the Township of Billings**, which comprise the statement of financial position as at **December 31, 2024**, and the statements of operations and changes in accumulated surplus, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Township as at **December 31, 2024**, and its results of operations and its 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to note 2 to the financial statements, which explains that certain comparative figures presented for the year ended December 31, 2023 have been restated, the reason for the restatement and details the adjustments that were applied to restate the comparative amounts.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT, continued

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

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Township to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT, continued

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.

Freelandt Caldwell Reilly LLP

FREELANDT CALDWELL REILLY LLP

Chartered Professional Accountants
Licensed Public Accountants

Espanola, Ontario
July 15, 2025

The Corporation of the Township of Billings

Statement of Financial Position

December 31, 2024 with comparative figures for 2023

	2024	2023 (restated - note 2)
Financial Assets		
Cash and cash equivalents	\$ 4,147,624	\$ 3,112,603
Taxes receivable (note 3)	218,202	212,787
User charges receivable	145,298	56,529
Grants receivable	90,877	880,291
Other accounts receivable	271,233	122,947
	4,873,234	4,385,157
Liabilities		
Accounts payable and accrued liabilities	510,815	646,658
Deferred contributions (note 5)	101,568	234,061
Deferred contributions - obligatory reserves (note 6)	182,573	120,141
Long-term debt (note 7)	1,295,061	200,000
Contaminated site remediation liability (note 8)	239,506	232,530
Asset retirement obligation (note 9)	501,877	487,259
	2,831,400	1,920,649
Net Assets (note 10)	2,041,834	2,464,508
Non-financial Assets (note 11)		
Tangible capital assets (note 12)	18,631,652	17,905,998
Inventory	6,460	3,812
Prepaid expenses	18,322	18,337
	18,656,434	17,928,147
Accumulated Surplus	\$ 20,698,268	\$ 20,392,655

Contingent liabilities (note 15)

Commitments (note 18)

The Corporation of the Township of Billings
Statement of Operations and Changes in Accumulated Surplus
December 31, 2024 with comparative figures for 2023

	2024	2023
	Actual	Actual
		(restated - note 2)
Revenue		
Taxation		
Residential and farm	\$ 2,452,932	\$ 2,311,390
Commercial, industrial and business	81,606	82,786
Other governments and agencies	9,069	9,069
	2,543,607	2,403,245
Deduct:		
Amounts raised on behalf of the school boards	309,168	303,701
	2,234,439	2,099,544
Government Transfers		
Province of Ontario	987,060	2,348,258
Government of Canada	39,344	725,511
	1,026,404	3,073,769
User Charges		
User fees and service charges	107,161	113,807
Sewer and water charges	447,775	256,062
	554,936	369,869
Other		
Investment income	180,573	182,387
Donations	40,319	75,423
Penalties and interest charges	45,099	44,322
Licences and permits	26,875	26,253
Rents, royalties and other	66,795	83,392
	359,661	411,777
Total Revenue	4,175,440	5,954,959
Expenditure		
General government	1,048,643	861,575
Protection to persons and property	416,872	365,456
Transportation services	894,957	847,994
Environment services	598,058	559,150
Health services	288,840	273,981
Social and family services	181,289	174,283
Recreation and cultural services	422,339	391,263
Planning and development	18,829	20,634
Total Expenditure	3,869,827	3,494,336
Annual Surplus	305,613	2,460,623
Accumulated Surplus, beginning of year	20,479,695	17,999,170
Prior period adjustment (note 2)	(87,040)	(67,138)
Accumulated Surplus, beginning of year, as restated (note 2)	20,392,655	17,932,032
Accumulated Surplus, end of year	\$ 20,698,268	\$ 20,392,655

The Corporation of the Township of Billings

Statement of Changes in Net Assets

December 31, 2024 with comparative figures for 2023

	2024 Actual	2023 Actual (restated - note 2)
Annual Surplus	\$ 305,613	\$ 2,460,623
Acquisition of tangible capital assets	(1,599,024)	(3,756,073)
Amortization of tangible capital assets	851,178	741,605
Loss on disposal of tangible capital assets	22,192	-
Change in inventory	(2,648)	-
Change in prepaid expenses	15	-
Change in net assets	(422,674)	(553,845)
Net Assets, beginning of year	2,543,891	3,075,396
Prior period adjustment (note 2)	(79,383)	(57,043)
Net Assets, beginning of year, as restated	2,464,508	3,018,353
Net Assets, end of year	\$ 2,041,834	\$ 2,464,508

The Corporation of the Township of Billings

Statement of Cash Flows

December 31, 2024 with comparative figures for 2023

	2024	2023 (restated - note 2)
Cash flows from operations		
Annual Surplus	\$ 305,613	\$ 2,460,623
Items not involving cash		
Amortization of tangible capital assets	851,178	741,605
Loss on disposal of tangible capital assets	22,192	-
Contaminated site remediation liability	6,976	6,773
Accretion of asset retirement obligation	14,618	14,192
	1,200,577	3,223,193
Changes in non-cash assets and liabilities		
Taxes receivable	(5,415)	61,179
User charges receivable	(88,769)	(3,655)
Grants receivable	789,414	(720,632)
Other accounts receivable	(148,286)	13,572
Accounts payable and accrued liabilities	(135,843)	209,666
Deferred contributions	(132,493)	(500,871)
Deferred contributions - obligatory reserves	62,432	39,912
Inventory	(2,648)	-
Prepaid expenses	15	-
	1,538,984	2,322,364
Capital transactions		
Cash used to acquire tangible capital assets	(1,599,024)	(3,756,073)
Financing transactions		
Proceeds on long-term debt	1,115,200	200,000
Advances (repayment) of long-term debt	(20,139)	-
	1,095,061	200,000
Increase in cash and cash equivalents	1,035,021	(1,233,709)
Cash and cash equivalents, beginning of year	3,112,603	4,346,312
Cash and cash equivalents, end of year	\$ 4,147,624	\$ 3,112,603

The Corporation of the Township of Billings

Notes to the Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

1. Significant accounting policies

The financial statements of the Township are the representation of management. The financial statements are prepared using Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

(a) Reporting entity

(i) Joint local boards

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

- Public Health Sudbury & Districts
- Manitoulin-Sudbury District Services Board
- Manitoulin Centennial Manor
- Manitoulin Planning Board

The assets, liabilities, revenues and expenses of the joint local boards have not been proportionally consolidated in these financial statements.

(ii) Accounting for school board transactions

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

(iii) Trust funds

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

(b) Accrual basis of accounting

The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses 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.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, amounts held in bank and highly liquid securities with maturities of three months or less.

The Corporation of the Township of Billings

Notes to the Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

1. Significant accounting policies, continued

(d) Tangible capital assets

Tangible capital assets are recorded at cost. The Township provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. The annual amortization rates are as follows:

Land improvements	25-40 years
Buildings	20-40 years
Roads, bridges and culverts	20-40 years
Vehicles	15-20 years
Equipment	20 years
Water treatment and distribution	80 years
Marina	20 years

(e) Inventory

Inventories held for consumption are recorded at the lower of cost and replacement cost. Inventories held for resale are recorded at the lower of cost and net realizable value. Cost is determined using the actual cost method.

(f) Revenue recognition

Property tax billings are prepared by the Township 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 Township 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 Township 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 Township 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 contributions and are recognized as revenue in the period in which all of these criteria are met.

Revenue from user charges, licences, permits and rents are recognized in the period in which the goods or services are provided. Investment and other revenues are recognized in the period it is earned.

The Corporation of the Township of Billings

Notes to the Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

1. Significant accounting policies, continued

(g) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. 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 financial statements are the estimated useful lives of tangible capital assets, asset retirement obligation and contaminated site remediation liability.

(h) Financial instruments

The Township 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 Township subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities 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 in the period they occur.

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

Financial liabilities measured at amortized cost include temporary borrowing, accounts payable and accrued liabilities and long-term debt.

(i) Asset retirement obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation, the inflation rate or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

The Corporation of the Township of Billings

Notes to the Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

2. Prior period restatement

During the year the Township made adjustments to certain comparative figures presented in the December 31, 2023 financial statements to adjust the accounting treatment for Manitoulin Centennial Manor (the "Manor") and The Manitoulin Planning Board (the "Planning Board").

The comparative figures reflected the Manor and the Planning Board as controlled government not-for-profit organizations requiring them to be proportionately consolidated in the financial statements of the Township. The Township has determined the Manor to be a government not-for-profit organization not under the direct control of Council and the Planning Board to be an other government organization not under the direct control of Council and as a result the comparative figures have been restated to reflect the Township's contributions to the Manor and the Planning Board as an expense in the statement of operations.

The impact of these restatements resulted in adjustments to the comparative figures as follows:

	As previously Stated	Adjustments	Restated
Cash and cash equivalents	\$ 3,319,808	\$ (207,205)	\$ 3,112,603
Term deposits	3,867	(3,867)	-
Taxes receivable	212,787	-	212,787
User charges receivable	56,529	-	56,529
Grants receivable	880,291	-	880,291
Other accounts receivable	139,942	(16,995)	122,947
Accounts payable and accrued liabilities	(788,185)	141,527	(646,658)
Deferred contributions	(241,218)	7,157	(234,061)
Deferred contributions - obligatory reserves	(120,141)	-	(120,141)
Long-term debt	(200,000)	-	(200,000)
Contaminated site remediation liability	(232,530)	-	(232,530)
Asset retirement obligation	(487,259)	-	(487,259)
Change in net assets	2,543,891	(79,383)	2,464,508
Tangible capital assets	17,906,148	(150)	17,905,998
Inventory	9,866	(6,054)	3,812
Prepaid expenses	19,790	(1,453)	18,337
Change in accumulated surplus	\$ 20,479,695	\$ (87,040)	\$ 20,392,655

The Corporation of the Township of Billings

Notes to the Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

3. Taxes receivable

The components of taxes receivable are as follows:

	2024	2023
Taxes receivable	\$ 194,720	\$ 189,829
Interest receivable on outstanding tax balances	23,482	22,958
	<u>\$ 218,202</u>	<u>\$ 212,787</u>

4. Temporary borrowing

BMO Bank of Montreal has authorized a non-revolving demand loan to a maximum of \$1,500,000 which is unsecured, bearing interest at the bank's prime rate of interest plus 0.5% per annum. At December 31, 2024, \$NIL (2023 - \$NIL) has been drawn on this credit facility.

The Corporation of the Township of Billings

Notes to the Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

5. Deferred contributions

The balance in deferred contributions is summarized as follows:

	2024	2023
Deferred contributions, beginning of year	\$ 234,061	\$ 734,932
Amounts received (recognized) during the year - Ontario Arts Council	14,610	-
Amounts received (recognized) during the year- Ministry of Municipal Affairs & Housing	-	(31,660)
Contributions repayable to funder - Ontario Trillium Foundation	-	(185,718)
Amounts received (recognized) during the year - Ontario Trillium Foundation	-	(253,982)
Amounts received (recognized) during the year - Employment and Social Development Canada	(1,531)	(13,757)
Amounts received (recognized) during the year - JBR Ventures	(2,754)	5,000
Amounts received (recognized) during the year - Ministry of Finance	(10,000)	-
Amounts received (recognized) during the year - Ministry of Natural Resources	(132,818)	(20,754)
Deferred contributions, end of year	\$ 101,568	\$ 234,061

Deferred contributions consist of the following:

	2024	2023
Employment and Social Development Canada	\$ 84,712	\$ 86,243
Ontario Arts Council	14,610	-
JBR Ventures	2,246	5,000
Ministry of Natural Resources	-	132,818
Ministry of Finance	-	10,000
	\$ 101,568	\$ 234,061

The Corporation of the Township of Billings

Notes to the Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

6. Deferred contributions - obligatory reserves

A requirement of Canadian public sector accounting standards is that obligatory reserve funds be reported as deferred contributions. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserves funds of the Township are summarized below:

	2024	2023
Deferred contributions - obligatory reserves, beginning of year	\$ 120,141	\$ 80,229
Contributions received during the year - Federal Gas Tax	47,945	39,912
Interest earned	14,487	-
Deferred contributions - obligatory reserves, end of year	\$ 182,573	\$ 120,141

Deferred contributions - obligatory reserves consist of the following:

	2024	2023
Federal Gas Tax	\$ 182,573	\$ 120,141

7. Long-term debt

	2024	2023
Ontario Infrastructure and Lands Corporation fully registered amortizing debenture, unsecured, repayable in semi-annual payments of \$27,278 commencing August 1, 2024 plus interest at 4.53% per annum, maturing February 1, 2054	\$ 883,083	\$ 200,000
Ontario Infrastructure and Lands Corporation fully registered amortizing debenture, unsecured, repayable in monthly installments of \$7,720 including interest at 3.44% per annum, maturing October 1, 2029	411,978	-
	\$ 1,295,061	\$ 200,000

Estimated principal payments in the next 5 years assuming normal terms of repayment are as follows:

2025	\$ 94,436
2026	97,896
2027	101,485
2028	105,206
2029	93,603
Subsequent years	802,435
	\$ 1,295,061

The Corporation of the Township of Billings

Notes to the Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

8. Contaminated site remediation liability

The Township has recognized a contaminated site remediation liability in the amount of \$239,506 (2023 - \$232,530). This liability is the estimated cost based on the professional assessment of a contracted engineering firm for the in-situ remediation of PHC impacted groundwater and soils located under the municipal office located at 15 Old Mill Road. This cost represents a scope of work including groundwater remediation, cleaning of the crawl space, and continued environmental monitoring of the site. As the Township owns the building and land on which the contamination exists, the Township is directly responsible for its remediation.

9. Asset retirement obligation

A liability is recognized for future retirement obligations associated with the Township's landfill. The amount recognized is the net present value of estimated future expenditures required to fund the closure and post-closure monitoring requirements of the landfill. On initial measurement of the asset retirement obligation, a corresponding asset retirement cost was added to the carrying value of the related tangible capital asset for the landfill. This asset is being amortized on a straight-line basis over the useful life of the landfill.

The asset retirement obligation is calculated using the current estimated costs to close and monitor the landfill at the end of its useful life, inflated to the estimated closure date and discounted to current present value. The asset retirement obligation is being provided for over the accreted value from the initial obligation to the end of the useful life of the landfill. Future closure and monitoring expenditures will be charged against the accumulated liability as incurred.

Estimating the asset retirement obligation requires the estimation of costs many years into the future. Inherent in the calculation are numerous assumptions and estimates, including the expected future closure and monitoring costs, inflation factors, discount rates and the timing of settlement of obligations. Future revisions to any of these estimates may result in material changes to the asset retirement obligation amount recognized.

At December 31, 2024, the estimated total undiscounted inflation-adjusted amount required to settle the asset retirement obligation is \$881,517 (2023 - \$881,517). The estimated closure and post-closure monitoring costs are inflated at a rate of 3.0% (2023 - 3.0%) per annum. The cash flows are also discounted at the rate of 3.0% (2023 - 3.0%) per annum. The landfill is estimated to close in 2037 with the site continuing to be monitored for an additional 25 years post-closure.

		2024	2023
Asset retirement obligation, beginning of year	\$	487,259	\$ 473,067
Accretion expense		14,618	14,192
Asset retirement obligation, end of year	\$	501,877	\$ 487,259

The Corporation of the Township of Billings

Notes to the Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

10. **Net assets**

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

	2024	2023
To be used for:		
the general decrease in taxation and user charges	\$ 5,390	\$ 1,544,719
the recovery from taxation and user charges for the repayment of long-term debt, asset retirement obligation, contaminated site remediation liability	2,036,444	919,789
	<hr/>	<hr/>
	\$ 2,041,834	\$ 2,464,508

11. **Non-financial assets**

Tangible capital assets and other non-financial assets are accounted for as assets by the Township because they can be used to provide services to residents and ratepayers of the Township in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

The Corporation of the Township of Billings

Notes to the Financial Statements

December 31, 2024 with comparative figures for 2023

12. Tangible capital assets

2024	Land	Land Improvements	Buildings	Roads and Bridges and Culverts	Vehicles	Equipment	Water Treatment and Distribution	Marina	2024 Total
Cost									
Balance, beginning of year	\$ 623,972	\$ 129,893	\$ 6,741,509	\$ 8,975,658	\$ 1,617,844	\$ 433,553	\$ 5,182,486	\$ 2,583,767	\$ 26,288,682
Additions	-	-	22,237	1,426,072	82,473	17,757	50,485	-	1,599,024
Disposals	-	-	-	(25,929)	-	-	-	-	(25,929)
Balance, end of year	\$ 623,972	\$ 129,893	\$ 6,763,746	\$ 10,375,801	\$ 1,700,317	\$ 451,310	\$ 5,232,971	\$ 2,583,767	\$ 27,861,777
Accumulated Amortization									
Balance, beginning of year	\$ -	\$ 81,533	\$ 2,243,877	\$ 3,157,935	\$ 980,856	\$ 222,914	\$ 1,285,608	\$ 409,961	\$ 8,382,684
Disposals	-	-	-	(3,737)	-	-	-	-	(3,737)
Amortization expense	-	4,525	165,357	329,125	80,045	31,820	114,585	125,721	851,178
Balance, end of year	-	86,058	2,409,234	3,483,323	1,060,901	254,734	1,400,193	535,682	9,230,125
Net book value	\$ 623,972	\$ 43,835	\$ 4,354,512	\$ 6,892,478	\$ 639,416	\$ 196,576	\$ 3,832,778	\$ 2,048,085	\$ 18,631,652
2023	Land	Land Improvements	Buildings	Roads and Bridges and Culverts	Vehicles	Equipment	Water Treatment and Distribution	Marina	2023 Total
Cost									
Balance, beginning of year	\$ 623,972	\$ 129,893	\$ 5,306,377	\$ 8,454,575	\$ 1,617,844	\$ 378,424	\$ 3,437,757	\$ 2,583,767	\$ 22,532,609
Additions	-	-	1,435,132	521,083	-	55,129	1,744,729	-	3,756,073
Disposals	-	-	-	-	-	-	-	-	-
Balance, end of year	\$ 623,972	\$ 129,893	\$ 6,741,509	\$ 8,975,658	\$ 1,617,844	\$ 433,553	\$ 5,182,486	\$ 2,583,767	\$ 26,288,682
Accumulated Amortization									
Balance, beginning of year	\$ -	\$ 77,008	\$ 2,125,411	\$ 2,868,353	\$ 903,560	\$ 199,270	\$ 1,183,237	\$ 284,240	\$ 7,641,079
Disposals	-	-	-	-	-	-	-	-	-
Amortization expense	-	4,525	118,466	289,582	77,296	23,644	102,371	125,721	741,605
Balance, end of year	-	81,533	2,243,877	3,157,935	980,856	222,914	1,285,608	409,961	8,382,684
Net book value	\$ 623,972	\$ 48,360	\$ 4,497,632	\$ 5,817,723	\$ 636,988	\$ 210,639	\$ 3,896,878	\$ 2,173,806	\$ 17,905,998

The Corporation of the Township of Billings

Notes to the Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

13. **Contributions to non-consolidated joint local boards**

	2024	2023
	%	%
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Further to note 1(a) (ii), the Township's apportionment for joint local boards are as follows:		
Manitoulin-Sudbury District Services Board	3.380	3.371
Public Health Sudbury & Districts	0.326	0.326
Manitoulin Centennial Manor	9.809	9.809
Manitoulin Planning Board	15.680	15.550

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

	2024	2023
<hr/>		
Manitoulin-Sudbury District Services Board	\$ 393,322	\$ 377,213
Public Health Sudbury & Districts	34,358	30,677
Manitoulin Centennial Manor	41,789	40,970
Manitoulin Planning Board	18,829	18,135
<hr/>		
	\$ 488,298	\$ 466,995

14. **Trust funds**

Trust funds administered by the Township amounting to \$53,748 (2023 - \$51,569) have not been included in the statement of financial position nor have their operations been included in the statements of operations.

The Corporation of the Township of Billings

Notes to the Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

15. Contingent liabilities

- (a) The Township receives transfers from the governments of Canada and Ontario. Some government transfers are subject to audit by the transferring government with adjustments, if any, repayable to the transferring government. Audit adjustments, if any, are recorded in the accounts in the year in which they become known.
- (b) The Township has been named as a defendant in an action claiming damages in the amount of \$600,000 alleging negligence relating to an incident with a road grader. It is too early in the proceedings to determine the outcome of the claim, if any, and management believes that the Township has valid defences in place. As such, no amount has been accrued in the accounts as a result of this claim.

16. Pension plan

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

The amount contributed to OMERS for 2024 was \$31,285 (2023 - \$4,280) for current service and is included as an expenditure on the statement of operations.

At December 31, 2024, the OMERS pension plan had total assets of \$162.8 billion (2023 - \$152.5 billion) and an accumulated deficit of \$2.913 billion (2023 – \$4.202 billion deficit).

The Corporation of the Township of Billings

Notes to the Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

17. Segmented information

The Township 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 Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

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

- ♦ General government 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 area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues, relating to governance, strategic planning and service delivery.
- ♦ Protection Services consists of fire, police, and animal control, building services, emergency measures and management of Provincial Offences Act. Police services ensure the safety of the lives and property of citizens; preserve peace and order; prevent crimes from occurring, detect offenders and enforce the law. Fire Services is responsible to provide fire suppression service; fire prevention programs, training and education related to prevention, detection and extinguishment of fires. The building services division processes permit applications and ensure compliance with the Ontario Building Code and with By-Laws enacted by Council.
- ♦ Transportation Services is responsible for management of roadways including bridges, traffic and winter control.
- ♦ Environmental Services is responsible for the management of waterworks, waste collection, waste disposal and recycling facilities and programs. This section is responsible for providing clean, potable water meeting all regulatory requirements and responsible for repairing breaks and leaks in the water system.
- ♦ Health and Social Services consists of assistance to aged persons, cemetery services as well as the Township's contribution to the Sudbury and District Health Unit and Manitoulin-Sudbury District Services Board.
- ♦ Recreation and Cultural Services provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure service and provides management of arenas and leisure facilities. This section also contributes to the information needs of the Township's citizens through the provision of library and cultural services and by preserving local history and managing archived data.
- ♦ Planning and Development's goal is to offer coordinated development services in order to maximize economic development opportunities, and to ensure that the Township is planned and developed in accordance with the Ontario Planning Act, Provincial policies and good planning principles.

Certain allocation methodologies are employed in the preparation of segmented financial information.

The Corporation of the Township of Billings

Notes to the Financial Statements

December 31, 2024 with comparative figures for 2023

17. Segmented information, continued

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	2024 Total	2023 Total
									(restated - note 2)
Revenues									
Taxation	\$ 2,234,439	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,234,439	\$ 2,099,544
Grants	548,331	10,000	355,680	94,327	-	18,066	-	1,026,404	3,073,769
User fees and service charges	870	-	955	453,419	3,546	96,146	-	554,936	369,869
Other	244,619	26,005	(22,196)	22,416	-	88,817	-	359,661	411,777
	3,028,259	36,005	334,439	570,162	3,546	203,029	-	4,175,440	5,954,959
Expenditures									
Purchase of goods and materials	407,916	41,719	206,760	228,518	-	160,464	-	1,045,377	923,626
Salaries, wages and benefits	562,996	53,669	290,729	41,774	660	95,398	-	1,045,226	920,713
Amortization	21,114	72,147	395,050	196,390	-	166,477	-	851,178	741,605
Other transfers	-	-	-	-	469,469	-	18,829	488,298	466,994
Contracts and services	35,790	229,174	-	131,376	-	-	-	396,340	416,676
Interest on long-term debt	-	20,163	2,418	-	-	-	-	22,581	-
Financial expenses	20,827	-	-	-	-	-	-	20,827	24,722
	1,048,643	416,872	894,957	598,058	470,129	422,339	18,829	3,869,827	3,494,336
Excess (deficiency) of revenues over expenditures	\$ 1,979,616	\$ (380,867)	\$ (560,518)	\$ (27,896)	\$ (466,583)	\$ (219,310)	\$ (18,829)	\$ 305,613	\$ 2,460,623

The Corporation of the Township of Billings
Notes to the Financial Statements
Year ended December 31, 2024 with comparative figures for 2023

18. Commitment

The Township has entered into a management services agreement with the Ontario Clean Water Agency (OCWA) to operate and maintain the Town's water treatment plant and distribution system. The agreement is for a ten-year period ending December 31, 2027. Required payments in each of the remaining years are as follows:

2025	\$	119,762
2026		121,558
2027		123,381
		<hr/>
		\$ 364,701

19. Budget

The Township does not prepare a budget in a format consistent with the accompanying financial statements. Accordingly, budget information has not been presented in these financial statements.

20. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party financial risk. The Township is exposed to the following risks associated with financial instruments and transactions it is a party to:

(a) 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 Township is exposed to this risk relating to its cash, term deposits and various accounts receivable accounts.

The Township manages risk associated with cash by holding its cash accounts with large reputable financial institutions with high credit ratings.

The Township is exposed to credit risk in accounts receivable which includes rate payers, government and other receivables. The Township 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. Risk is minimized through managements' ongoing analysis and monitoring of outstanding accounts receivable balances and collections.

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 Township of Billings

Notes to the Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

20. **Financial instruments, continued**

(b) Liquidity risk

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

The Township reduces its exposure to liquidity risk by monitoring cash activities and expected outflow through extensive budgeting and maintaining enough cash to repay creditors, including long-term debt and capital lease obligation principle and interest, as those liabilities become due.

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 Township is exposed to this risk mainly in respect of its bank credit facilities.

The Township has minimal interest rate exposure on its bank credit facilities, which are variable based on the bank's prime rates. Interest expense incurred on the credit facilities is \$NIL (2023 - \$NIL).

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.

Corporation of the Township of Billings Trust Funds

Financial Statements

Year ended December 31, 2024



INDEPENDENT AUDITOR'S REPORT

To: The Members of Council, Inhabitants and Ratepayers of
Corporation Of The Township Of Billings Trust Funds

Opinion

We have audited the financial statements of Corporation of the Township of Billings Trust Funds, which comprise the statement of financial position as at December 31, 2024, and the statement of operations and changes in net assets 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 entity as at **December 31, 2024**, and its results of operations and its 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our 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.

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 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.

INDEPENDENT AUDITOR'S REPORT, continued

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

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.

INDEPENDENT AUDITOR'S REPORT, continued

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.

Freelandt Caldwell Reilly LLP

FREELANDT CALDWELL REILLY LLP

Chartered Professional Accountants
Licensed Public Accountants

Espanola, Ontario
July 15, 2025

The Corporation of the Township of Billings Trust Funds

Statement of Financial Position

December 31, 2024 with comparative figures for 2023

	Cemetery Perpetual Care	Monument Care	Community Centre Replacement	Total 2024	Total 2023
Assets					
Cash	\$ 49,911	\$ 883	\$ 2,954	\$ 53,748	\$ 51,569
Due from the Township	-	-	-	-	-
Net Assets	\$ 49,911	\$ 883	\$ 2,954	\$ 53,748	\$ 51,569

The Corporation of the Township of Billings Trust Funds

Statement of Operations and Changes in Net Assets

Year ended December 31, 2024 with comparative figures for 2023

	Cemetery Perpetual Care	Monument Care	Community Centre Replacement	Total 2024	Total 2023
Net assets, beginning of year	\$ 47,829	\$ 861	\$ 2,879	\$ 51,569	\$ 49,499
Revenues					
Interest income	2,082	22	75	2,179	1,490
Plot and monument sales	-	-	-	-	580
	2,082	22	75	2,179	2,070
Expenditures	-	-	-	-	-
Excess of revenues over expenditures	2,082	22	75	2,179	2,070
Net assets, end of year	\$ 49,911	\$ 883	\$ 2,954	\$ 53,748	\$ 51,569

Corporation of the Township of Billings Trust Funds

Notes to the Financial Statements

Year ended December 31, 2024 with comparative figures for 2023

1. Significant accounting policies

The financial statements of the Corporation of the Township of Billings Trust Funds (the "Trust") are the representation of management and are prepared using Canadian public sector accounting standards. Since precise determination of assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use careful judgement.

(a) Basis of Accounting

(i) Accrual Accounting

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

(b) Revenue recognition

Revenue from plot and monument sales are recognized in the period in which the goods are provided.

Interest income is recognized when earned.

(c) Financial instruments

The Trust 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 Trust 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 and amounts due from the Township.

2. Statement of cash flows

Inclusion of a cash flows statement would not provide any additional information that is not evident from the financial statements already presented. Therefore, a cash flows statement has not been presented.