

CONSOLIDATED FINANCIAL REPORT

**THE CORPORATION OF THE
TOWN OF COBALT**

DISTRICT OF TIMISKAMING

YEAR ENDED DECEMBER 31, 2023

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THE CORPORATION OF THE TOWN OF COBALT

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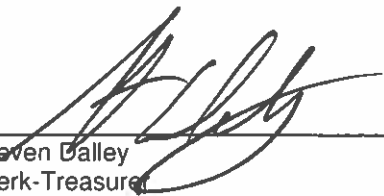
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

The Corporation of the Town of Cobalt'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 Kemp Elliott & Blair LLP; independent external auditors appointed by the Corporation of the Town of Cobalt. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Corporation of the Town of Cobalt's financial statements.



Steven Dalley
Clerk-Treasurer

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Town of Cobalt:

Opinion

We have audited the consolidated financial statements of the Corporation of the Town of Cobalt, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Town of Cobalt as at December 31, 2023, and the results of its operations, change in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Corporation of the Town of Cobalt in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Those charged with governance are responsible for overseeing the Corporation of the Town of Cobalt's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

Kemp Elliott & Blair LLP

Kemp Elliott & Blair LLP

Licensed Public Accountants
New Liskeard, Ontario
September 17, 2024

Chartered Professional Accountants

THE CORPORATION OF THE TOWN OF COBALT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

FINANCIAL ASSETS

	<u>2023</u>	<u>2022</u>
Cash	\$ 577,563	\$ 703,467
Taxes receivable	410,913	394,981
Accounts receivable	99,236	237,481
	<u>1,087,712</u>	<u>1,335,929</u>

LIABILITIES

Accounts payable and accrued liabilities	486,982	454,256
Deferred revenue – other – note 7	258,412	147,116
Deferred revenue – obligatory reserve funds – note 8	128,947	107,326
Asset retirement obligations – note 9	673,895	655,541
Municipal debt – note 10	919,990	981,475
	<u>2,468,226</u>	<u>2,345,714</u>

NET DEBT

(1,380,514) (1,009,785)

NON-FINANCIAL ASSETS

Inventories of supplies	105,075	99,564
Prepaid expenses	46,292	33,267
Tangible capital assets – note 18	15,603,108	15,949,711
	<u>15,754,475</u>	<u>16,082,542</u>

ACCUMULATED SURPLUS – note 15

\$ 14,373,961 \$ 15,072,757

Contingent liabilities – note 13

Contractual obligations and commitments – note 11

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

On behalf of Council:



 Mayor



 Clerk-Treasurer

THE CORPORATION OF THE TOWN OF COBALT

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

REVENUES	2023	2023	2022
	Budget (Note 16)	Actual	Actual
Operating revenues			
Municipal taxation	\$ 708,937	\$ 712,318	\$ 633,310
Water and sewer user fees	553,363	553,922	516,255
Policing fees	365,925	365,925	359,615
User charges	178,651	198,156	181,611
Provincial grants	905,600	928,939	991,589
Federal grants	30,483	83,328	79,691
Revenue from other municipalities	21,800	24,670	17,661
Investment income	13,000	23,610	16,058
Penalties and interest on taxes	40,000	62,351	55,982
Land sales	30,000	6,500	2,000
Gain on sale of tangible capital assets	-	9,596	-
Gain on sale of Government Business Partnership	-	-	364,067
Other	101,201	118,522	164,220
	<u>2,948,960</u>	<u>3,087,837</u>	<u>3,382,059</u>
Capital revenues			
Provincial grants	368,138	181,330	249,794
Federal grants	149,594	28,238	190,477
	<u>517,732</u>	<u>209,568</u>	<u>440,271</u>
Total revenues	<u>3,466,692</u>	<u>3,297,405</u>	<u>3,822,330</u>
EXPENDITURES			
General government	718,361	808,112	784,573
Protection to persons and property	562,062	559,519	558,612
Transportation services	843,777	821,653	753,481
Environmental services	1,102,722	1,268,234	1,246,384
Health services	160,276	155,572	157,830
Social and family services	106,064	97,956	107,057
Recreation and cultural services	195,720	256,266	240,692
Planning and development	34,619	28,889	82,723
Total expenditures	<u>3,723,601</u>	<u>3,996,201</u>	<u>3,931,352</u>
ANNUAL DEFICIT	(256,909)	(698,796)	(109,022)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	15,072,757	15,072,757	15,805,679
Adjustments related to adoption of new accounting standards – note 3	-	-	(623,900)
ACCUMULATED SURPLUS, END OF YEAR – note 15	\$ 14,815,848	\$ 14,373,961	\$ 15,072,757

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

THE CORPORATION OF THE TOWN OF COBALT

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 Budget (Note 16)	2023 Actual	2022 Actual
ANNUAL DEFICIT	\$ (256,909)	\$ (698,796)	\$ (109,022)
Acquisition of tangible capital assets	(650,209)	(323,684)	(694,065)
Amortization of tangible capital assets	663,797	670,287	663,810
Gain on sale of tangible capital assets	-	(9,596)	-
Proceeds from sale of tangible capital assets	-	9,596	-
Change in prepaid expenses	-	(13,025)	(2,560)
Acquisition of inventories of supplies	-	(5,511)	(27,255)
Increase in net debt	(243,321)	(370,729)	(169,092)
Net debt, beginning of year	(1,009,785)	(1,009,785)	(203,009)
Adjustments related to adoption of new accounting standards – note 3	-	-	(637,684)
NET DEBT, END OF YEAR	\$ (1,253,106)	\$ (1,380,514)	\$ (1,009,785)

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

THE CORPORATION OF THE TOWN OF COBALT

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

OPERATIONS	<u>2023</u>	<u>2022</u>
Annual deficit	\$ (698,796)	\$ (109,022)
Charges not affecting cash –		
Amortization of tangible capital assets	670,287	663,810
Gain on disposal of Government Business Partnership	-	(364,067)
Gain on disposal of tangible capital assets	<u>(9,596)</u>	<u>-</u>
	<u>(38,105)</u>	<u>190,721</u>
Other sources (uses) of cash –		
Change in taxes receivable	(15,933)	(74,188)
Change in accounts receivable	138,245	(102,270)
Change in inventories of supplies	(5,511)	(27,255)
Change in prepaid expenses	(13,025)	(2,560)
Change in accounts payable and accrued liabilities	32,726	26,631
Change in deferred revenue – other	111,296	27,035
Change in deferred revenue – obligatory reserve funds	21,621	(5,656)
Change in asset retirement obligations	<u>18,355</u>	<u>17,856</u>
	<u>287,774</u>	<u>(140,407)</u>
Total cash provided by operations	<u>249,669</u>	<u>50,314</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(323,684)	(694,065)
Proceeds from sale of tangible capital assets	<u>9,596</u>	<u>-</u>
Total cash used for capital transactions	<u>(314,088)</u>	<u>(694,065)</u>
INVESTING TRANSACTIONS		
Proceeds from sale of Government Business Partnership	<u>-</u>	<u>51</u>
FINANCING TRANSACTIONS		
Repayment of municipal debt	<u>(61,485)</u>	<u>(60,395)</u>
DECREASE IN CASH	<u>(125,904)</u>	<u>(704,095)</u>
Cash, beginning of year	<u>703,467</u>	<u>1,407,562</u>
CASH, END OF YEAR	<u>\$ 577,563</u>	<u>\$ 703,467</u>
REPRESENTED BY		
Cash	<u>\$ 577,563</u>	<u>\$ 703,467</u>

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

THE CORPORATION OF THE TOWN OF COBALT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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

1. Accounting policies

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

Use of estimates

Management has made estimates and assumptions that affect the amounts reported in preparing these consolidated financial statements. Significant areas requiring the use of management estimates relate to the determination of tangible capital assets historical cost, estimated useful life and related amortization and usage, remaining life, inflation rates and discount rates related to asset retirement obligations.

Basis of consolidation

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

Waterworks	Cemetery Board
Library Board	Wetlands

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

The Classic Theatre, The Bunker and the Historic Cobalt Corporation (including the Cobalt Mining Museum) are separate legal entities. They are not part of the Corporation of the Town of Cobalt. Only the Town's donations to these entities are reflected in the consolidated financial statements.

Non-consolidated entities

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

Timiskaming District Health Unit
District of Timiskaming Social Services Administration Board

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

Non-consolidated entities – continued

Temiskaming Municipal Services Association

The Temiskaming Municipal Services Association provides the services of a Chief Building Officer to 21 municipalities. The operations of this organization are not proportionately consolidated into these statements because the Town does not have control. Building Permit revenues are transferred to this organization.

Tri Town Transit System

This joint local board is a cooperative effort by two municipalities to jointly provide public transit services. These statements reflect only the Town's contribution to this board.

THE CORPORATION OF THE TOWN OF COBALT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. **Accounting policies – continued**

Accounting for school board transactions

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

Trust funds

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

Tangible capital assets

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

Buildings	50 years
Vehicles	10 to 25 years
Equipment	10 to 25 years
Heavy equipment	25 years
Roads	15 to 30 years
Bridges	75 years
Underground networks	50 years

A full year of amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for use.

The Town has no capitalization threshold for land and buildings, a capitalization threshold of \$10,000 for infrastructure systems and \$5,000 for all other assets. Individual assets of lesser value may be capitalized if they are pooled, or because, collectively, they have significant value.

The Town manages and controls various works of art and historical cultural assets including buildings, artifacts, paintings and sculptures located at Town sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

Inventories of supplies

Inventories of supplies held for consumption are recorded at lower of cost or replacement cost.

Deferred revenue – other

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

THE CORPORATION OF THE TOWN OF COBALT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. Accounting policies – continued

Deferred revenue – obligatory reserve funds

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

Asset retirement obligations

Asset retirement obligations represent the legal obligation associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the consolidated financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the Town to incur costs in relation to a specific tangible capital asset, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the Town derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the consolidated statement of operations and accumulated surplus.

Revenue recognition

Government transfers (provincial and federal grants)

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

Taxation and related revenues

Property tax billings are prepared by the Town based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Council, incorporating amounts to be raised for local services and 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 assessment.

THE CORPORATION OF THE TOWN OF COBALT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. **Accounting policies – continued**
Revenue recognition – continued

Once a supplementary assessment roll is received, the Town determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded when they meet the definition of an asset, the tax is authorized and the taxable event has occurred. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known.

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

Fees, service charges and other revenue

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

Financial instruments

The Town recognizes its financial instruments when the municipality becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section PS 3420 Inter-entity Transactions.

At initial recognition, the municipality may irrevocably elect to subsequently measure any financial instrument at fair value. The Town has not made such an election during the year.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

2. **Prior period adjustment**

The comparative figures have been retroactively restated to reflect transactions applicable to 2022 and prior which were not previously recorded or recorded at incorrect amounts. The Town pays annually for their insurance and had previously expensed the amounts paid without consideration for the periods covered. As a result, December 31, 2022 figures, presented for comparative purposes, have been restated from those previously reported as follows:

	As previously reported	Increase (decrease)	As restated
Statement of Financial Position			
Prepaid expenses	\$ -	\$ 33,267	\$ 33,267
Accumulated surplus	15,682,244	33,267	15,715,511
Statement of Change in Net Debt			
Annual deficit	(92,728)	2,560	(90,168)
Change in prepaid expenses	-	(2,560)	(2,560)
Statement of Operations			
General government	787,133	(2,560)	784,573
Annual deficit	(92,728)	2,560	(90,168)
Accumulated surplus, beginning of year	15,774,972	30,707	15,805,679
Accumulated surplus, end of year	15,682,244	33,267	15,715,511

THE CORPORATION OF THE TOWN OF COBALT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

3. Adoption of new accounting standards

On January 1, 2023, the Town adopted PS 3280 Asset Retirement Obligations (ARO) on a modified retroactive basis. PS 3280 Asset Retirement Obligations (ARO) establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.

The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded.

As a result of the application of this accounting standard, an asset retirement obligation has been recognized as a liability and an asset retirement cost has been added to the cost of tangible capital assets in the consolidated statement of financial position. The asset retirement obligations represent the estimated costs of retiring assets owned by the Town.

The adoption of PS 3280 Asset Retirement Obligations (ARO) has been applied to the comparative period as follows:

	<u>2022</u>		
	As previously reported	Increase (decrease)	As restated
Statement of Financial Position			
Asset retirement obligations	\$ -	\$ 655,541	\$ 655,541
Tangible capital assets	15,936,924	12,787	15,949,711
Accumulated surplus	15,715,511	(642,754)	15,072,757
Statement of Operations			
Transportation services	753,329	152	753,481
Environmental services	1,235,820	10,564	1,246,384
Recreation and cultural services	232,554	8,138	240,692
Annual deficit	(90,168)	(18,854)	(109,022)
Adjustments related to adoption of new accounting standards	-	(623,900)	(623,900)
Accumulated surplus, end of year	15,715,511	(642,754)	15,072,757
Statement of Change in Net Debt			
Annual deficit	(90,168)	(18,854)	(109,022)
Amortization of tangible capital assets	662,813	997	663,810
Adjustments related to adoption of new accounting standards	-	(637,684)	(637,684)
Net debt, end of year	(354,244)	(655,541)	(1,009,785)
Statement of Cash Flows			
Annual deficit	(90,168)	(18,854)	(109,022)
Amortization of tangible capital assets	662,813	997	663,810
Change in asset retirement obligations	-	17,857	17,857

THE CORPORATION OF THE TOWN OF COBALT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

4. **Operations of school boards**

Further to note 1, the taxation levied on behalf of and due to the school boards is:

	<u>2023</u>	<u>2022</u>
	\$ 81,340	\$ 82,349

5. **Contributions to Joint Boards**

Further to note 1, the following contributions were made by the Town to these boards:

	<u>2023</u>	<u>2022</u>
Timiskaming Health Unit	\$ 54,933	\$ 54,611
District of Timiskaming Social Services Administration Board	\$ 192,129	\$ 203,084
Tri-Town Transit System	\$ 58,841	\$ 50,413

6. **Revolving line of credit**

The Town has a \$250,000 business operating line negotiated with CIBC with a balance outstanding of \$nil (2022 \$nil). Interest is at bank prime plus 0.5% (currently 7.7%).

7. **Deferred revenue – other**

Deferred revenue – other consists of the following:

	<u>December 31 2022</u>	<u>Funds Received</u>	<u>Revenue Earned</u>	<u>December 31 2023</u>
Provincial government - OCIF	\$ 60,440	\$ 242,160	\$ 54,452	\$ 248,148
Provincial government - NORDS	81,363	73,863	150,275	4,951
Federal government - CHCI	5,313	-	-	5,313
	<u>\$ 147,116</u>	<u>\$ 316,023</u>	<u>\$ 204,727</u>	<u>\$ 258,412</u>

8. **Deferred revenue – obligatory reserve funds**

Deferred revenue – obligatory reserve funds consist of the following:

	<u>December 31 2022</u>	<u>Funds Received</u>	<u>Revenue Earned</u>	<u>December 31 2023</u>
Federal Gas Tax	\$ 107,326	\$ 76,582	\$ 54,961	\$ 128,947

THE CORPORATION OF THE TOWN OF COBALT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

9. Asset retirement obligations

	2023	2022
Balance, beginning of year	\$ 655,541	\$ -
Opening balance adjustment	-	637,684
Accretion expense	18,354	17,857
Balance, end of year	<u>\$ 673,895</u>	<u>\$ 655,541</u>

The asset retirement obligation at year end is as follows:

	2023	2022
Asbestos removal	\$ 668,157	\$ 649,959
Fuel storage tank	5,738	5,582
Balance, end of year	<u>\$ 673,895</u>	<u>\$ 655,541</u>

The discount rate used to present value future cash outputs is 2.80% (2022 2.80%).

Asbestos removal

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

Fuel storage tank

The Town owns above ground fuel tanks which represents an environmental hazard upon removal and there are legal obligations regarding how they must be removed. Assumptions were used to quantify unit time for the summary of service costs

10. Municipal debt

The balance of the municipal debt reported on the "Consolidated Statement of Financial Position" is made up of all the long-term liabilities, incurred by the Town and outstanding at the end of the year.

	2023	2022
A serial debenture with Ontario Infrastructure repayable in semi-annual (March and September) blended (principal and interest) payments of \$25,466 with interest at 2.47% per annum and the debenture matures in September 2041. The loan relates to a new garage.	\$ 736,492	\$ 768,636
A serial debenture with Ontario Infrastructure repayable in semi-annual (March and September) blended (principal and interest) payments of \$12,235 with interest at 1.43% per annum and the debenture matures in September 2030. The loan relates to the purchase of a wheel loader.	162,449	184,361
A loan with Ford Credit, payable in monthly installments of \$619 with interest at 0%. The final installment is due October 2026. The loan relates to the purchase of a vehicle.	21,049	28,478
	<u>\$ 919,990</u>	<u>\$ 981,475</u>

THE CORPORATION OF THE TOWN OF COBALT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

10. **Municipal debt - continued**

Principal payments are due as follows:

2024	\$ 62,598
2025	63,736
2026	63,660
2027	58,658
2028	59,872
2029 +	<u>611,466</u>
	<u>\$ 919,990</u>

Total interest paid during the year on the long-term debt is \$21,346 (2022 \$22,436).

11. **Contractual obligations and commitments**

Contracts for services - The municipality has entered into contracts with third parties to provide services to the Town. The minimum anticipated payments under these contracts are as follows:

2024	\$ 241,059
2025	245,787
2026	250,332
2027	246,306
2028 and onwards	994,112

Through its normal course of operations, the Town enters into long-term contracts for the purchase of goods and services. The future value of certain long-term contracts is unknown. Annually, the Town includes estimated payments required for the upcoming year as part of its budget to ensure that sufficient funding is available for these contracts.

12. **Trust funds**

Trust funds administered by the Town amounting to \$30,842 (2022 \$30,312) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations".

13. **Contingent liabilities**

Non-consolidated entities

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

Funding agreements

Under the terms of various funding agreements, the Town could have provincial and federal grants become repayable if it is determined that funding was applied towards ineligible costs or if other terms of the agreements were not met. At year end management is of the opinion that all conditions have been met and funding was applied towards eligible costs.

Ontario Municipal Employees Retirement Fund

All permanent, full-time employees of the Town are eligible to be members of the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Town's contributions equal the employee contributions to the plan.

THE CORPORATION OF THE TOWN OF COBALT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

13. Contingent liabilities - continued

Ontario Municipal Employees Retirement Fund - continued

As this is a multi-employer pension plan, the contributions by the Town are recognized as an expenditure. No pension liability for this type of plan is recognized in the Town's consolidated financial statements. Contributions made by the Town to OMERS for 2023 were \$57,588 (2022 \$57,839). The plan had an actuarial deficit of \$4.2 billion at the end of 2023.

Liability for vacation pay, overtime and other post-employment benefits

Employees are allowed to carry forward vacation pay and banked overtime which an employee may become entitled to if they were to leave the Town's employment. The liability for these items, to the extent that they have vested and could be taken in cash by an employee on termination, amounted to \$32,717 (2022 \$50,226) at the end of the year. This is reflected as a liability on the consolidated statement of financial position.

Municipal employees retiring do not receive any other retirement allowance that either vests or accrues over the period of employment. Sick benefits do not accrue and are not vested. The Town recognizes the expenses for sick time when the event obliges the Town to pay. No other post-employment benefits are payable by the Town.

Guarantee

The Town became guarantor for a Provincial Contribution Agreement between Co-Tem Pro Native Non-Profit Housing Inc. (Co-Tem) and the Province of Ontario in March 2010 for the purpose of offering affordable housing for a period of 20 years. The contribution from the Province was \$1,517,500.

Contaminated and hazardous sites

The Corporation of the Town of Cobalt has many old mine sites and tailing ponds throughout its municipality. Based on past experience, the Ministry of Northern Development and Mines (MNDM) has always taken responsibility for the costs associated with the remediation of contaminated sites and resolving any issues caused by old mine sites. It is of management's opinion that all contaminated sites have been remedied by MNDM and that the Town is not responsible for future liabilities, if any, related to old mine sites or tailing ponds.

14. Financial instruments

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

Credit risk

Credit risk is the risk of financial loss because of a counter party to a financial instrument fails to discharge its contractual obligations.

The Town manages its credit risk by establishing an allowance for doubtful accounts based on factors surrounding the credit risk of specific accounts, historical trends and other information. The Town has a significant number of customers and ratepayers which minimizes concentration of credit risk. Further, the Town has available to it a tax registration process to recover unpaid municipal taxes by way of forced transfer of properties with multi-year arrears.

Interest rate risk

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

THE CORPORATION OF THE TOWN OF COBALT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

14. Financial instruments - continued

Liquidity risk

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

The Town manages the liquidity risk resulting from its accounts payable by maintaining cash and investing in other liquid assets.

15. Accumulated surplus

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

	<u>2023</u>	<u>2022</u>
Reserves, surpluses and deficits		
Working capital reserve	\$ -	\$ 181,732
Fire reserve	10,000	10,000
Library reserve	18,075	18,075
General municipal deficit	(444,432)	(310,966)
Library surplus	16,588	44,430
Cemetery surplus	53,272	50,979
Sewer (wetlands) surplus – note 21	509,050	486,503
Waterworks surplus – note 20	50,818	146,478
	<u>213,371</u>	<u>627,231</u>
Amounts to be recovered		
Unfinanced municipal debt	(919,990)	(981,475)
Unfinanced asset retirement obligations	(673,895)	(655,541)
Net debt	<u>(1,380,514)</u>	<u>(1,009,785)</u>
Non-financial assets		
Inventories of supplies	105,075	99,564
Prepaid expenses	46,292	33,267
Invested in tangible capital assets	15,603,108	15,949,711
	<u>15,754,475</u>	<u>16,082,542</u>
Accumulated surplus	<u>\$ 14,373,961</u>	<u>\$ 15,072,757</u>

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Debt for the year.

THE CORPORATION OF THE TOWN OF COBALT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

16. Budget

The Budget adopted by Council was not prepared on a basis consistent with that used to report actual result according to Public Sector Accounting Standards used on the Consolidated Statement of Operations on page 5. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The actual budget is reflected in note 23. It expenses all tangible capital expenditures, does not include amortization expense, reflects proceeds of long-term debt as revenue, principal repayments of long-term debt as an expense and the full proceeds from the sale of tangible capital assets as revenue. As a result, the budget figures presented in the consolidated statements of operations and change in net financial assets represent the financial plan adopted by Council with adjustments as follows:

	<u>2023</u>
Actual budget deficit for the year – note 23	\$ (297,449)
Add: Repayment of long-term debt	71,985
Investment in tangible capital assets	650,209
Less: Estimated amortization	(663,797)
Estimated accretion expenses	<u>(17,857)</u>
Budget deficit per statement of operations – page 5	<u>\$ (256,909)</u>

17. Segmented information

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

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

General Government Services

General government services consists of departments that are responsible for adopting bylaws; adopting administrative policy; levying taxes; acquiring, disposing and managing municipal assets; ensuring effective financial management; monitoring performance and ensuring that high quality municipal service standards are met.

Protection Services

Protection services consists of departments that are responsible for the enforcement of laws, prevention of crime, and maintenance of peace, order, and security by protecting life, property and the environment through the provision of emergency response, thus ensuring safe homes and safe communities.

Transportation Services

Transportation services consists of departments that are responsible for the delivery of municipal public works services related to planning, design, construction, cleaning, repair, snow removal and signage of roadway systems.

Environmental Services

Environmental services include water, sewer, garbage and recycling services. Water and sewer services include the operation and distribution of water and networking of sewer mains and the wetlands. The garbage and recycling services group are responsible for the delivery of municipal services including garbage collection

THE CORPORATION OF THE TOWN OF COBALT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

17. **Segmented information - continued**

Health Services

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

Social and Family Services

The Town funds a range of family and social services through the District Social Services Administration Board which includes social housing, childcare and general assistance.

Recreation and Cultural Services

Recreation and cultural services consists of departments that are responsible for providing, facilitating the development of, and maintaining high quality parks, recreational facilities, and cultural services.

Planning and Development Services

Planning and development services consists of departments that are responsible for preparing land use plans, bylaws and policies for sustainable development of the Town and for reviewing and approving new development.

THE CORPORATION OF THE TOWN OF COBALT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

17. Segmented information – continued									Total 2023	Total 2022
	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development Services		
Revenues										
Operating revenues										
Municipal taxation	\$ 712,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 712,318	\$ 633,310
Water and sewer user fees	-	-	-	553,922	-	-	-	-	553,922	516,255
Policing fees	-	365,925	-	-	-	-	-	-	365,925	359,615
User charges	171,779	17,121	2,057	412	1,764	-	1,418	3,605	198,156	181,611
Provincial grants	899,300	-	21,004	2,393	-	-	6,242	-	928,939	991,589
Federal grants	-	-	-	53,778	-	-	18,902	10,648	83,328	79,691
Revenue from other municipalities	-	-	-	20,920	1,750	-	2,000	-	24,670	17,661
Investment income	22,670	-	-	-	940	-	-	-	23,610	16,058
Penalties and interest on taxes	42,161	-	-	20,190	-	-	-	-	62,351	55,982
Land sales	6,500	-	-	-	-	-	-	-	6,500	2,000
Gain on sale of tangible capital assets	-	-	9,596	-	-	-	-	-	9,596	-
Gain on sale of Government Business Partnership	-	-	-	-	-	-	-	-	-	364,067
Other	75,000	1,902	-	-	920	-	40,700	-	118,522	164,220
	<u>1,929,728</u>	<u>384,948</u>	<u>32,657</u>	<u>651,615</u>	<u>5,374</u>	<u>-</u>	<u>69,262</u>	<u>14,253</u>	<u>3,087,837</u>	<u>3,382,059</u>
Capital revenues										
Provincial grants	-	-	129,271	52,059	-	-	-	-	181,330	249,794
Federal grants	-	-	-	-	-	-	28,238	-	28,238	190,477
Total revenues	<u>1,929,728</u>	<u>384,948</u>	<u>161,928</u>	<u>703,674</u>	<u>5,374</u>	<u>-</u>	<u>97,500</u>	<u>14,253</u>	<u>3,297,405</u>	<u>3,822,330</u>
Expenditures										
Wages and benefits	340,158	49,169	322,494	171,252	3,082	-	77,150	18,579	981,884	1,006,745
Long-term debt interest	-	-	21,346	-	-	-	-	-	21,346	22,436
Materials	167,820	94,981	312,651	209,865	3,383	-	58,406	-	847,106	733,093
Contracted services	187,834	408,298	6,583	525,220	-	-	44,010	10,310	1,182,255	1,210,632
Rents and financial expenses	26,929	-	156	10,858	-	-	8,317	-	46,260	36,939
External transfers	-	-	-	-	149,107	97,956	-	-	247,063	257,697
Amortization	85,371	7,071	158,423	351,039	-	-	68,383	-	670,287	663,810
Total expenditures	<u>808,112</u>	<u>559,519</u>	<u>821,653</u>	<u>1,268,234</u>	<u>155,572</u>	<u>97,956</u>	<u>256,266</u>	<u>28,889</u>	<u>3,996,201</u>	<u>3,931,352</u>
Annual surplus (deficit)	<u>\$ 1,121,616</u>	<u>\$ (174,571)</u>	<u>\$ (659,725)</u>	<u>\$ (564,560)</u>	<u>\$ (150,198)</u>	<u>\$ (97,956)</u>	<u>\$ (158,766)</u>	<u>\$ (14,636)</u>	<u>\$ (698,796)</u>	<u>\$ (109,022)</u>

THE CORPORATION OF THE TOWN OF COBALT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

18. Schedule of tangible capital assets

2023

	Opening	Disposals/ Additions	Disposals/ transfers	Ending	Opening	Accumulated	on Current Amortization	Ending	Net
	Cost Dec 31, 2022			Cost Dec 31, 2023	Amortization Dec 31, 2022	Amortization Dec 31, 2023		Assets Dec 31, 2023	
General									
Land improvements	\$ 720,360	\$ 90,859	\$ -	\$ 811,219	\$ 282,279	\$ -	\$ 28,878	\$ 311,157	\$ 500,062
Buildings	15,536,186	92,056	(667,910)	16,296,152	5,564,110	-	321,138	5,885,248	10,410,904
Vehicles	465,175	-	18,488	446,687	363,428	18,488	11,536	356,476	90,211
Equipment	756,667	11,499	32,331	735,835	535,725	32,331	41,351	544,745	191,090
Heavy equipment	717,159	-	-	717,159	329,599	-	23,058	352,657	364,502
Infrastructure									
Roads	4,962,285	129,270	-	5,091,555	3,201,120	-	98,853	3,299,973	1,791,582
Bridges	311,703	-	-	311,703	76,126	-	6,234	82,360	229,343
Underground networks	7,600,369	-	-	7,600,369	5,435,716	-	139,239	5,574,955	2,025,414
Assets under construction	667,910	-	667,910	-	-	-	-	-	-
Total	\$ 31,737,814	\$ 323,684	\$ 50,819	\$ 32,010,679	\$ 15,788,103	\$ 50,819	\$ 670,287	\$ 16,407,571	\$ 15,603,108

THE CORPORATION OF THE TOWN OF COBALT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

18. Schedule of tangible capital assets - continued

2022

	Opening Cost Dec 31, 2021	Additions	Ending Cost Dec 31, 2022	Opening Accumulated Amortization Dec 31, 2021	Current Amortization	Ending Accumulated Amortization Dec 31, 2022	Net Assets Dec 31, 2022
General							
Land improvements	\$ 442,754	\$ 277,606	\$ 720,360	\$ 255,976	\$ 26,303	\$ 282,279	\$ 438,081
Buildings	15,512,344	23,842	15,536,186	5,258,171	305,939	5,564,110	9,972,076
Vehicles	465,175	-	465,175	348,685	14,743	363,428	101,747
Equipment	737,129	19,538	756,667	481,972	53,753	535,725	220,942
Heavy Equipment	717,159	-	717,159	306,541	23,058	329,599	387,560
Infrastructure							
Roads	4,798,026	164,259	4,962,285	3,106,579	94,541	3,201,120	1,761,165
Bridges	311,703	-	311,703	69,892	6,234	76,126	235,577
Underground networks	7,600,369	-	7,600,369	5,296,477	139,239	5,435,716	2,164,653
Assets under construction	459,090	208,820	667,910	-	-	-	667,910
Total	\$ 31,043,749	\$ 694,065	\$ 31,737,814	\$ 15,124,293	\$ 663,810	\$ 15,788,103	\$ 15,949,711

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

19. **Budgeting**

The Town budgets to determine an appropriate tax rate based on all budgeted revenues and expenditures.

The consolidated statement of operations on page 5 has been modified here to exclude amortization and accretion expenses and to include tangible capital asset expenditures and the principal repayments on long-term debt.

This modified statement of operations (budget based) is consistent with the budget format used and is presented here with the 2023 budget.

REVENUES	2023	2023	2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenues			
Municipal taxation	\$ 708,937	\$ 712,318	\$ 633,310
Water and sewer user fees	553,363	553,922	516,255
Policing fees	365,925	365,925	359,615
User charges	178,651	198,156	181,611
Provincial grants	905,600	928,939	991,589
Federal grants	30,483	83,328	79,691
Revenue from other municipalities	21,800	24,670	17,661
Investment income	13,000	23,610	16,058
Penalties and interest on taxes	40,000	62,351	55,982
Land sales	30,000	6,500	2,000
Gain on sale of Government Business Partnership	-	-	364,067
Proceeds from sale of tangible capital assets	-	9,596	-
Other	101,201	118,522	164,220
	<u>2,948,960</u>	<u>3,087,837</u>	<u>3,382,059</u>
Capital revenues			
Provincial grants	368,138	181,330	249,794
Federal grants	149,594	28,238	190,477
	<u>517,732</u>	<u>209,568</u>	<u>440,271</u>
Total revenues	<u>3,466,692</u>	<u>3,297,405</u>	<u>3,822,330</u>
 EXPENDITURES			
Operating expenditures			
General government	620,561	722,741	686,750
Protection to persons and property	554,962	552,448	551,541
Transportation services	701,625	655,024	625,875
Environmental services	742,158	919,898	898,480
Health services	160,276	155,572	157,830
Social and family services	106,064	97,956	107,057
Recreation and cultural services	121,682	180,543	166,683
Planning and development	34,619	28,889	82,723
	<u>3,041,947</u>	<u>3,313,071</u>	<u>3,276,939</u>
Capital expenditures	650,209	323,684	694,065
Long-term debt repayments	71,985	61,485	60,395
Total expenditures	<u>3,764,141</u>	<u>3,698,240</u>	<u>4,031,399</u>
Deficit - full budget based	<u>\$ (297,449)</u>	<u>\$ (400,835)</u>	<u>\$ (209,069)</u>

THE CORPORATION OF THE TOWN OF COBALT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

20. Waterworks – Schedule of Operations

This statement is not prepared according to PSAB. It is operational. It excludes amortization, includes capital revenue and expenses, and includes proceeds and repayment of long-term debt.

	<u>2023</u>	<u>2022</u>
Revenue		
Sale of water – Cobalt residents	\$ 393,186	\$ 358,090
Sale of water – Coleman Township	20,920	13,911
Interest charges on collection	14,330	12,590
Provincial grants – capital	-	23,713
Federal grants – operating	53,778	-
Total revenue	<u>482,214</u>	<u>408,304</u>
Expenditures		
Salaries and benefits	98,356	86,049
Materials, supplies and utilities	270,819	181,613
Contracted services	208,699	256,945
Capital expenditures	-	23,843
Total expenditures	<u>577,874</u>	<u>548,450</u>
Annual deficit	(95,660)	(140,146)
Accumulated surplus, beginning of year	<u>146,478</u>	<u>286,624</u>
Accumulated surplus, end of year	<u>\$ 50,818</u>	<u>\$ 146,478</u>

THE CORPORATION OF THE TOWN OF COBALT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

21. Sewer (Wetlands) – Schedule of Operations

This statement is not prepared according to PSAB. It is operational. It excludes amortization, includes capital revenue and expenses, and includes proceeds and repayment of long-term debt.

	<u>2023</u>	<u>2022</u>
Revenue		
Sewer (Wetlands) user fees	\$ 160,736	\$ 158,164
Interest charges on collection	5,860	-
Provincial grants – operating	2,393	67,547
Provincial grants – capital	<u>52,059</u>	<u>123,483</u>
Total revenue	<u>221,048</u>	<u>349,194</u>
Expenditures		
Salaries and benefits	72,897	67,948
Materials, supplies and utilities	8,803	5,643
Contracted services	63,825	120,213
Capital expenditures	<u>52,976</u>	<u>125,534</u>
Total expenditures	<u>198,501</u>	<u>319,338</u>
Annual surplus	22,547	29,856
Accumulated surplus, beginning of year	<u>486,503</u>	<u>456,647</u>
Accumulated surplus, end of year	<u>\$ 509,050</u>	<u>\$ 486,503</u>

Kemp Elliott & Blair L.L.P.

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COMPILATION ENGAGEMENT REPORT

To the Members of Council, Inhabitants
and Ratepayers of the Corporation
of the TOWN OF COBALT:

On the basis of information provided by management, we have compiled the statement of financial position of the TRUST FUNDS of the Corporation of the TOWN OF COBALT as at December 31, 2023 and the statement of continuity for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

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

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

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

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

Kemp Elliott & Blair LLP

Licensed Public Accountants
New Liskeard, Ontario
September 17, 2024

Kemp Elliott & Blair LLP

Chartered Professional Accountants

THE CORPORATION OF THE TOWN OF COBALT

PERPETUAL CARE CEMETERY TRUST FUNDS

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Short-term investments	\$ 31,252	\$ 30,067
Due from the Corporation of the Town of Cobalt	-	245
	<u>31,252</u>	<u>30,312</u>
LIABILITIES		
Due to the Corporation of the Town of Cobalt	410	-
FUND BALANCE	<u>30,842</u>	<u>30,312</u>
	<u>\$ 31,252</u>	<u>\$ 30,312</u>

STATEMENT OF CONTINUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Fund balance, beginning of year	\$ 30,312	\$ 29,632
Capital receipts	530	680
Fund balance, end of year	<u>\$ 30,842</u>	<u>\$ 30,312</u>

NOTES TO THE FINANCIAL STATEMENTS

1. **Basis of accounting**

The accompanying compiled financial information has been prepared on the historical cost basis, reflecting cash transactions with the addition of:

- short-term investments recorded at cost plus accrued income
- amounts due to/from the Town of Cobalt as at the reporting date

2. **Interest**

Interest earned by the Perpetual Care Cemetery Trust Funds is recorded as revenue by the Town and is not reflected in this statement.