

**The Corporation of the Township of Hornepayne  
Consolidated Financial Statements  
For the year ended December 31, 2024**

Contents

---

<b>Managements' Responsibility for the Financial Statements</b>	2
<b>Independent Auditors' Report</b>	3 - 4
<b>Consolidated Financial Statements</b>	
Statement of Financial Position	5
Statement of Operations and Accumulated Surplus	6
Statement of Change in Net Financial Assets	7
Statement of Cash Flow	8
Notes to the Financial Statements	9 - 21
Schedules to the Financial Statements	22 - 24
<b>Trust Funds Independent Auditors' Report</b>	25 - 26
Statement of Financial Position	27
Statement of Continuity	28
Notes to the Financial Statements	29
<b>Unaudited Supplementary Financial Information</b>	
Hornepayne Public Library Board	30



## Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements for the Corporation of the Township of Hornepayne (the "Township") are the responsibility of management of the Township and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principals for local governments established by the Public Sector Accounting Board. A summary of significant accounting policies are described in Note 1 of the financial statements. The preparation of the financial statements involves the use of estimates based on managements' judgement, including transactions in the current financial period relating to future periods.

Management maintains and monitors a system of internal controls which are designed to provide reasonable assurance that transactions are properly authorized and recorded in compliance with regulatory and legislative requirements, reliable financial information is available on a timely basis and assets are appropriately safeguarded.

Council is responsible to ensure management fulfills its responsibilities for financial reporting and ultimately responsible for reviewing and approving the financial statements.

These financial statements have been audited by Stefanizzi Professional Corporation in accordance with Canadian Auditing Standards on behalf of the inhabitants and ratepayers of the Township. The accompanying auditors' report outlines their responsibilities, the scope of the examination and the opinion on the Townships' financial statements

  
CAO



Acting Treasurer



# STEFANIZZI

## PROFESSIONAL CORPORATION

### CHARTERED PROFESSIONAL ACCOUNTANT

705.949.9616  
 office@stefanizzi.ca  
 www.stefanizzi.ca  
 2-207 Northern Ave. E.  
 Sault Ste. Marie, ON  
 P6B 4H9

---

## Independent Auditors' Report

---

To the Management of The Corporation of the Township of Hornepayne:

### Opinion

I have audited the consolidated financial statements of The Corporation of the Township of Hornepayne (the Township), which comprise the statement of financial position as at December 31, 2024, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Hornepayne as at December 31, 2024, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Township in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of these 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 the 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 Townships' 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 Townships' financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statement

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes my 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 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 consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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.
- Obtaining 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 Townships' 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 Townships' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Township to cease 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Stefanizzi Professional Corporation  
Chartered Professional Accountant, authorized to practice public accounting by  
The Chartered Professional Accountants of Ontario  
Sault Ste. Marie, Ontario  
July 15, 2025



**The Corporation of the Township of  
Hornepayne  
Statement of Financial Position**

<b>As at December 31,</b>	<b>2024</b>	<b>2023</b>
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 905,650	\$ 1,903,685
Taxes receivable	595,917	416,142
Accounts receivable	1,411,514	1,278,046
Portfolio investment (note 2)	150,000	150,000
Inventories for resale	28,177	28,102
	<b>3,091,258</b>	<b>3,775,975</b>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	76,928	205,762
Deferred revenue (note 3)	1,681,926	1,431,994
Employee future benefits liability	19,550	14,575
Asset retirement obligation (note 4)	846,129	718,575
Long-term debt (note 5)	1,358,665	1,426,324
	<b>3,983,198</b>	<b>3,797,230</b>
<b>Net financial assets</b>	<b>(891,940)</b>	<b>(21,255)</b>
<b>Non-financial assets</b>		
Tangible capital assets (schedule 1)	18,562,040	17,718,386
Inventories - vested property	216,204	107,143
Prepaid expenses and inventories of supplies	72,389	48,863
<b>Accumulated surplus (note 6)</b>	<b>\$17,958,693</b>	<b>\$17,853,137</b>

## The Corporation of the Township of Hornepayne

### Consolidated Statement of Operations

**Year ended December 31,** (with comparative figures for the prior year)

	<b>Budget (Unaudited) 2024</b>	<b>Actual 2024</b>	<b>Actual 2023</b>
<b>Revenues</b>			
Taxation (note 7)	\$ 2,205,420	\$ 2,225,050	\$ 2,130,539
Federal grants	587,750	442,579	449,810
Provincial grants	1,194,371	846,583	673,098
Fees and user charges	1,411,800	1,346,611	1,342,146
Licenses, permits and rents	859,065	1,025,413	564,870
Interest and other	143,500	98,062	125,743
	6,401,906	5,984,298	5,286,206
<b>Expenditures</b>			
<b>Current</b>			
General government	1,085,038	1,283,572	1,415,794
Protection	343,625	342,629	354,593
Transportation services	1,464,976	1,378,212	1,412,394
Environmental services	2,227,062	2,101,345	1,961,763
Health services	55,185	57,778	46,346
Social and family services	598,463	606,252	596,977
Recreation and cultural services	635,782	656,801	617,662
Planning and development	331,000	274,745	293,857
	6,741,131	6,701,334	6,699,386
<b>Annual deficit</b>	(339,225)	(717,036)	(1,413,180)
<b>Accumulated surplus, beginning of year</b>	17,853,137	17,853,137	19,266,317
Adoption of PS 3280, Asset Retirement Obligations	-	822,592	
<b>Accumulated surplus, end of year</b>	\$17,513,912	\$17,958,693	\$17,853,137

## The Corporation of the Township of Hornepayne

### Statement of Change in Net Financial Assets

**Year ended December 31**, (with comparative figures for the prior year)

	<b>Budget (Unaudited) 2024</b>	<b>Actual 2024</b>	<b>Actual 2023</b>
Annual deficit	\$ (339,225)	\$ (717,036)	\$ (1,413,180)
Acquisition of tangible capital assets	-	(1,129,702)	(476,167)
Amortization of tangible capital assets	1,102,484	1,102,484	1,033,796
Revaluation of asset retirement obligation	-	(102,905)	-
Prepaid expenses and inventory of supplies	-	(23,526)	36,357
<b>Net change in net financial assets</b>	763,259	(870,685)	(819,194)
<b>Net financial assets, beginning of year</b>	(21,255)	(21,255)	797,939
<b>Net financial assets, end of year</b>	\$ 742,004	\$ (891,940)	\$ (21,255)

See accompanying financial notes

# The Corporation of the Township of Hornepayne

## Consolidated Statement of Cash Flow

For the year ended December 31,	2024	2023
<b>Cash provided by (used for):</b>		
<b>Operating transactions</b>		
Annual deficit	\$ (717,036)	\$ (1,413,180)
<b>Changes in non-cash operating items:</b>		
Taxes receivable	(179,775)	92,610
Accounts receivable	(133,468)	3,250,420
Inventories for resale	(75)	(4,587)
Prepaid expenses and inventories of supplies	(23,526)	36,357
Accounts payable and accrued liabilities	128,834	65,443
Employee future benefits liability	(4,975)	(11,425)
Deferred revenue	249,933	572,790
Asset retirement obligation	(127,554)	116,222
Inventories - vested properties	(109,061)	-
	(916,703)	2,704,650
<b>Items not involving cash:</b>		
Annual depreciation	1,102,484	1,033,796
	185,781	3,738,446
<b>Capital transactions:</b>		
Capital additions	(1,129,702)	(476,167)
<b>Financing transactions:</b>		
Decrease in bank indebtedness	-	(2,629,606)
Proceeds from issuance of long-term debt	60,000	-
Principal repayment on long-term debt	(114,114)	(118,052)
	(54,114)	(2,747,658)
<b>Increase (Decrease) in cash and cash equivalents for the year</b>	(998,035)	514,621
<b>Cash and cash equivalents, beginning of year</b>	1,903,685	1,389,064
<b>Cash and cash equivalents, end of year</b>	\$ 905,650	\$ 1,903,685
<b>Represented by:</b>		
<b>Cash</b>	\$ 905,650	\$ 1,903,685

---

# The Corporation of the Township of Hornepayne

## Notes to the Financial Statements

**December 31, 2024**

---

The Corporation of the Township of Hornepayne ("the Township") is a Township in the province of Ontario, Canada. The Township conducts its operations in accordance with the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

### 1. **Summary of significant account policies**

---

#### **Basis for consolidation**

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

These entities include:

Public Library Board  
Hornepayne Recreation Committee  
Hornepayne Housing Corporation

The following local boards, joint local boards and municipal enterprises, for which are not under the control of council, are not consolidated:

Algoma District Services Administration Board  
Porcupine Health Unit

#### **Basis of accounting**

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

#### **Revenue recognition**

Revenues and expenditures are reported on the accrual basis of accounting. Expenditures are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due. Revenues are recognized as follows:

- a) Tax revenue is recognized in the calendar year to which the tax assessment applies and the assessment is known. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.
- b) Fines and donations are recognized when collected. Rental income is recorded when the monthly rent is issued accompanied by a signed rental agreement.
- c) Fees and user charges are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided.

---

## **The Corporation of the Township of Hornepayne**

### **Notes to the Financial Statements**

**December 31, 2024**

---

#### **Summary of significant account policies (continued)**

---

- d) Interest income is recognized in the period in which it is earned.
- e) Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when funds are receivable. Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made. Sales of service and other revenue is recognized on an accrual balance.

#### **Deferred revenue**

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of financial activities in the year in which it is used for the specified purpose.

#### **Reserves and reserve funds**

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

#### **Government transfers**

Government transfers include entitlements, transfers under shared cost agreements and grants. Revenue is recognized for unconditional entitlements and grants in the period received or receivable. Revenue is recognized for any conditional entitlements and grants in the period the associated expenditure is incurred. Revenue is recognized for transfers under shared service agreements in the period the costs are incurred.

#### **Contributed goods and services**

Goods and services contributed to the Township are recorded at their fair market value at the time of their occurrence.

#### **Cash and cash equivalents**

Cash and cash equivalents include bank deposits and short term guaranteed investment certificates that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

#### **Trust funds**

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

---

**The Corporation of the Township of Hornepayne**  
**Notes to the Financial Statements**

**December 31, 2024**

---

**Summary of significant account policies (continued)**

---

**Use of estimates**

The preparation of financial statements in accordance 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. Estimates include allowance for doubtful accounts, inventory obsolescence, environmental liabilities, useful life of capital assets, and accruals. Actual results could differ from management's best estimates as additional information becomes available in the future.

**Accounting for school board operations**

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

**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 Financial Assets for the year.

**Capital assets**

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

	<u>Useful Life - Years</u>
Buildings	20 - 40
Equipment	12 - 15
Infrastructure	10 - 50
Vehicle and machinery	5 - 20
Waste management land	35

In the year of acquisition, capital assets are amortized at one-half the above rates. Assets under construction are not amortized until the asset is available for productive use.

**(a) Contribution of tangible capital assets**

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

**(b) Interest capitalization**

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.



---

# The Corporation of the Township of Hornepayne

## Notes to the Financial Statements

**December 31, 2024**

---

### **Summary of significant account policies (continued)**

---

#### **(c) Leases**

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

#### **(d) Threshold**

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

#### **Budget figures**

Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. The approved operating budget and capital budgets are reflected on the Consolidated Statement of Operations and are unaudited. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. As well, the Township does not budget activity within Reserves and Reserve Funds, with the exception being those transactions, which affect either operations or capital investments.

#### **Asset Retirement Obligations**

The Township recognizes the fair value of asset retirement obligations ("ARO") when all of the following criteria have been met:

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

The liability for the closure and post-closure monitoring and maintenance relating to the landfill sites has been recognized based on estimated future expenses.

#### **Financial Instruments**

The Township 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 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. The Township's financial instruments measured at amortized cost consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, landfill site closure liability, and municipal long-term debt. Unless otherwise noted, it is management's opinion that the Township is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying value.

## The Corporation of the Township of Hornepayne

### Notes to the Financial Statements

December 31, 2024

#### 2. Portfolio investments

The Township subscribed to 149,990 class A preferred shares and 10 class B common shares in the Hornepayne Hotel Investment Corporation for the aggregate subscription price of \$150,000.

#### 3. Deferred revenue

A requirement of the public sector accounting principles of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as a provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds of the Township are summarized below:

	2024	2023
Canada Community Building Fund (Federal Gas Tax)	\$ 49,651	\$ 66,499
Ontario Community Infrastructure Fund (OCIF)	1,255,850	871,334
Northern Ontario Regional Development Strategy	240,193	214,652
Prepaid rent and rental deposits	112,846	120,241
Land deposits	23,386	24,268
Ontario Trillium Foundation	-	135,000
	\$ 1,681,926	\$ 1,431,994

#### 4. Asset retirement obligation

The Township owns and operates one landfill site. The liability for the closure of the site and post-closure care has been recognized in accordance with the provisions of PS 3280 Asset Retirement Obligations. The reported liability is based on estimates and assumptions with respect to events extending over a forty year period. The current estimates include an assumption that the approved environmental expansion will occur and extend the date of closure for 25 years.

Post-closure care for the landfill site is required for 25 years from the date of the self closure. These costs were discounted at December 31, 2024, using a discount rate of 4.7% per annum.

The liability is subject to estimation uncertainty surrounding the the annual expenditures and capacity of the landfill. Any changes in the estimated liability would be recognized prospectively in the financial statements.

## The Corporation of the Township of Hornepayne

### Notes to the Financial Statements

December 31, 2024

#### Asset retirement obligation (continued)

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

	2024	2023
Opening balance of obligation	\$ 718,575	\$ 602,353
Accretion expense	29,872	-
Adjustment for revaluation of asset retirement obligation	97,682	116,222
	<b>\$ 846,129</b>	<b>\$ 718,575</b>

#### 5. Municipal long-term debt

	2024	2023
Ontario Infrastructure and Lands Corporation debenture, payable at \$32,457 semi-annually, including interest at 3.64%, maturing August 2042.	\$ 851,781	\$ 884,789
Ontario Infrastructure and Lands Corporation debenture, payable at \$22,897 annually, including interest at 2.35%, maturing August 2026.	67,108	110,558
Ontario Infrastructure and Lands Corporation debenture, payable at \$12,220 semi-annually, including interest at 3.14%, maturing February 2028.	85,537	109,976
Vehicle loan, repayable at \$678 monthly, including interest at 0%, maturing November 2026.	15,604	23,745
Northern Credit Union loan, repayable at \$1,152 monthly, including interest at 5.69%, maturing April, 2029.	52,950	-
Northern Credit Union Mortgage, repayment at \$1,940 monthly, including interest at 4%, maturing November 2026.	285,685	297,256
	<b>\$ 1,358,665</b>	<b>\$ 1,426,324</b>

Long-term debt principal repayments to be made during the next five years is approximately as follows:

2025	-	\$ 134,427
2026	-	\$ 114,298
2027	-	\$ 86,704
2028	-	\$ 77,093
2029	-	\$ 58,231

## The Corporation of the Township of Hornepayne

### Notes to the Financial Statements

December 31, 2024

#### 6. Accumulated surplus

The accumulated surplus is comprised of the following:

	2024	2023
<b>Reserves set aside for specific purposes by Council:</b>		
Capital	\$ 157,406	\$ 184,035
Library board	101,719	101,429
Arena	27,224	27,224
Sick leave	11,419	11,419
Student bursary	8,000	12,000
Public works department	6,027	6,027
Recreation - fitness/weight training	28,435	28,435
Recreation	-	9,850
Cemetery	-	740
Airport	42,200	42,200
Community well-being	78,502	82,791
100th Anniversary	35,100	35,100
Planning and development	36,379	96,509
Water and sewer	303,716	303,716
Levy stabilization fund	208,117	279,792
Economic development fund	48,182	48,182
Community improvement fund	65,000	65,000
Municipal grants fund	65,000	65,000
Landfill reserve	72,518	109,386
Election fund	8,190	8,190
	1,303,134	1,517,025
<b>Reserve funds set aside for specific purposes by Council:</b>		
Arena	11,739	11,739
Hot tub	729	9,465
Cedar Point park	1,363	1,363
	13,831	22,567
<b>Total reserves and reserve funds</b>	1,316,965	1,539,592
Equity in tangible capital assets	16,357,246	16,292,062
Equity in Hornepayne Hotel Investment Corporation	150,000	150,000
General surplus (deficit)	154,032	(113,942)
Unfunded liabilities	(19,550)	(14,575)
<b>Accumulated surplus</b>	<b>\$17,958,693</b>	<b>\$17,853,137</b>

## The Corporation of the Township of Hornepayne

### Notes to the Financial Statements

December 31, 2024

#### 7. Taxation

	2024	2023
Residential and farmlands taxation	\$ 1,917,058	\$ 1,882,611
Commercial and industrial taxation	256,300	\$ 226,983
Supplementary taxation	11,436	7,641
Amounts added to tax bill for collection	24,324	24,324
Taxation from other governments and PIL	107,575	82,593
	2,316,693	2,224,152
Less: Amount levied and remitted to school boards	(91,643)	(93,613)
	\$ 2,225,050	\$ 2,130,539

#### 8. Expenditures by object

	2024	2023
Salaries, wages and employee benefits	\$ 1,648,078	\$ 1,677,931
Materials	1,497,578	1,657,113
Contracted services	1,936,603	1,886,608
Rents and financial expenses	301,988	213,289
Amortization	1,078,628	1,033,795
Transfer payments	200,690	192,881
Interest on long-term debt	37,769	37,769
	\$ 6,701,334	\$ 6,699,386

#### 9. Contributions to unconsolidated joint boards

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

	2024	2023
Algoma District Service Administration Board	\$ 153,458	\$ 149,945
Porcupine Health Unit	47,232	42,936
	\$ 200,690	\$ 192,881

---

## **The Corporation of the Township of Hornepayne**

### **Notes to the Financial Statements**

**December 31, 2024**

---

#### **10. Pension agreements and employee future benefits**

---

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of seven 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 most recent actuarial valuation of the plan was completed on December 31, 2024. The results of this valuation disclosed total going concern actuarial liabilities of \$142,289 million (2023 - \$136,185 million) and net going concern actuarial assets of \$139,576 million (2023 - \$131,983 million), indicating a going concern actuarial deficit of \$2,913 million (2023 - \$4,202 million). As OMERS is a multi-employer plan, any pension plan surpluses or deficits are the joint responsibility of Ontario municipal organizations and their employees. The Township's individual share is not determinable, and as a result, the Township does not recognize any share of the OMERS pension deficit.

The amount contributed on behalf of Township employees in 2024 was \$91,636 (2023 - \$98,159). No pension liability for this type of plan is included in the municipality's financial statements.

The Township employees may accumulate unused sick days and become entitled to a cash payment when upon ending of municipal employment. The Township accrues the cost of these benefits over the periods in which the employees earn these benefits. The cost of the employee future benefits is determined using management's best estimates.

The estimated liability represents the discounted payout at termination of employment or retirement. At December 31, 2024, the balance of the benefit is \$19,550 (2023 - \$14,575).

---

#### **11. Trust funds**

---

Trust funds administered by the Township with net assets amounting to \$75,218 (2023 - \$71,205) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations.

---

#### **12. Public Sector Salary Disclosure Act**

---

One employee was paid an annual salary of \$100,000 or more as defined by the Public Sector Salary Disclosure Act, 1996.

---

**The Corporation of the Township of Hornepayne**  
**Notes to the Financial Statements**

**December 31, 2024**

**13. Budget**

The Budget adopted by Council was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of reserves and/or surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statement of operations and change in net financial assets represent the Financial Plan with adjustments as follows:

	2024
<b>Budget Bylaw surplus (deficit) for the year</b>	\$ -
<b>Less:</b>	
Amortization	\$ (1,078,628)
<b>Less:</b>	
Net inter-fund transfers from reserves and debt financing	(3,114,167)
Capital transactions	3,853,570
<b>Budget deficit per statement of operations</b>	\$ (339,225)

**14. Comparative information**

Certain comparative information has been reclassified to conform with the current year presentation of the financial statements. These reclassifications result in no changes to opening accumulated surplus.



---

## **The Corporation of the Township of Hornepayne**

### **Notes to the Financial Statements**

**December 31, 2024**

---

#### **15. Financial Risk**

---

The Township is exposed to various risks through its financial instruments. The following analysis provides information about the Township's risk exposure and concentration as of December 31, 2024.

##### **Credit Risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Township is exposed to credit risk from customers and ratepayers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Township has a significant number of customers and ratepayers which minimizes concentration of credit risk. Further, the Township has available to it a tax registration process to recover unpaid municipal taxes by way of forced transfer of properties with multi-year arrears.

##### **Liquidity risk**

Liquidity risk is the risk that the Township 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 and long-term debt.

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

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

---

---

# The Corporation of the Township of Hornepayne

## Notes to the Financial Statements

**December 31, 2024**

---

### **16. Segmented Information**

---

The Township is a diversified local government institution that provides a wide range of services to its citizens. For management reporting purposes, municipal 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 that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

#### **General government**

The administration department oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of council.

#### **Protection**

Protection is comprised of the police, fire/emergency, by-law enforcement and building inspections departments. The mandate of the police is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The fire/emergency department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishments of fires. The by-law enforcement and building inspection department ensures properties are in compliance with applicable legislation, by-laws, building standards and construction codes.

#### **Transportation**

The transportation department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, winter control, airport and street lighting.

#### **Environmental**

The environmental department provides garbage collection and waste minimization programs and facilities for solid waste disposal.

#### **Health**

Through the Porcupine Public Health, the Township contributes to public health services and education and through the Algoma District Services Administration Board, to ambulance services. In addition, this department oversees the care and maintenance of Township cemeteries.

---

## **The Corporation of the Township of Hornepayne**

### **Notes to the Financial Statements**

**December 31, 2024**

---

#### **Segmented Information (continued)**

---

##### **Social and family**

Through the Algoma District Services Administration Board, the Township contributes to social assistance payments, child care services and social housing. The Township also owns an apartment building through its municipal services corporation that provides affordable housing in the community.

##### **Recreation and cultural**

The recreation and cultural department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as parks, arena, fitness and sports programs. It provides public services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement. The department also contributes towards the information needs of the municipality's citizens through the provision of library services.

##### **Planning**

The planning department provides a diverse bundle of services. It manages development for business interests, environmental concerns, heritage matters and neighbourhoods through planning and community development activities. It facilitates economic development by providing services for the approval of all land development plans.

For each reported segment, revenues and expenses include both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

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

---

**The Corporation of the Township of Hornepayne  
Schedule of Tangible Capital Assets**

**Schedule 1**

**Year ended December 31, 2024**

Cost										Accumulated Amortization		2024	2023
	2024 Opening Balance	2024 Closing Balance	Disposals/ Transfers/ PSAS Adjustments	Additions and Betterments	2024 Opening Balance	2024 Closing Balance	Amortization Expense	Disposals/ Transfers	2024 Ending Balance	Net Book Value	Net Book Value		
Land	\$ 82,366	\$ 82,366	\$ -	\$ -	\$ -	\$ 82,366	\$ -	\$ -	\$ -	\$ 82,366	\$ 82,366		
Land improvements	315,577	1,513,464	816,436	381,451	208,174	1,513,464	49,606	-	257,780	1,255,684	107,403		
Buildings	6,687,418	6,772,750	-	85,332	3,015,906	6,772,750	122,599	-	3,138,505	3,634,245	3,671,512		
Machinery and equipment	5,687,458	5,925,468	-	238,010	4,269,841	5,925,468	277,219	-	4,547,060	1,378,408	1,417,617		
Infrastructure	29,905,259	30,128,196	-	222,937	17,810,935	30,128,196	576,564	-	18,387,499	11,740,697	12,094,324		
Vehicles	1,573,480	1,573,480	-	-	1,290,692	1,573,480	48,191	-	1,338,883	234,597	282,788		
Furniture and fixtures	623,292	623,292	-	-	560,916	623,292	28,305	-	589,221	34,071	62,376		
Construction in progress	-	201,972	-	201,972	-	201,972	-	-	-	201,972	-		
	\$44,874,850	\$46,820,988	\$ 816,436	\$ 1,129,702	\$27,156,464	\$46,820,988	\$ 1,102,484	\$ -	\$28,258,948	\$18,562,040	\$17,718,386		

# The Corporation of the Township of Hornepayne

## Segment Disclosures - Service Bundle

### Schedule 2

Year ended December 31, 2024

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total
<b>Expenditures</b>									
Salaries and wages	\$ 532,934	\$ 36,633	\$ 480,377	\$ 62,329	\$ -	\$ 121,916	\$ 292,921	\$ 120,968	\$1,648,078
Materials, good and supplies	173,887	71,427	546,305	31,004	10,261	311,848	319,494	33,352	1,497,578
Contracted & general services	329,949	188,994	6,737	1,308,494	-	-	4	102,425	1,936,603
Rents and financial	219,064	-	5,967	58,957	-	-	-	18,000	301,988
Interest on long-term debt	-	-	-	37,769	-	-	-	-	37,769
Amortization expenses	27,738	45,575	338,826	602,792	285	19,030	44,382	-	1,078,628
External transfers	-	-	-	-	47,232	153,458	-	-	200,690
	1,283,572	342,629	1,378,212	2,101,345	57,778	606,252	656,801	274,745	6,701,334
<b>Revenues</b>									
Taxation									
Federal grants	426,186	113,763	457,609	697,711	19,184	201,294	218,078	91,224	2,225,049
Provincial grants	-	-	222,937	127,123	-	-	11,680	80,839	442,579
Fees and user charges	655,884	8,230	-	-	-	-	153,763	28,706	846,583
Licenses, permits and rents	5,233	8,077	55,606	1,200,913	2,330	-	74,452	-	1,346,611
Interest and other	386,197	26,053	81,073	13,254	-	501,832	-	17,004	1,025,413
	97,839	-	-	-	-	-	223	-	98,062
	1,571,339	156,123	817,225	2,039,001	21,514	703,126	458,196	217,773	5,984,297
<b>Annual Surplus (Deficit)</b>	\$ 287,767	\$ (186,506)	\$ (550,987)	\$ (62,344)	\$ (36,264)	\$ 96,874	\$ (198,605)	\$ (56,972)	\$ (717,037)

# The Corporation of the Township of Hornepayne

## Segment Disclosures - Service Bundle

### Schedule 3

Year ended December 31, 2023

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total
<b>Expenditures</b>									
Salaries and wages	\$ 679,181	\$ 37,025	\$ 451,080	\$ 17,866	\$ 678	\$ 101,161	\$ 251,781	\$ 139,159	\$1,677,931
Materials, good and supplies	264,765	101,668	603,820	30,729	2,732	328,647	282,684	42,068	1,657,113
Contracted & general services	281,350	180,648	16,571	1,283,447	-	-	29,962	94,630	1,886,608
Rents and financial	135,004	-	5,109	55,124	-	-	52	18,000	213,289
Interest on long-term debt	-	-	-	37,769	-	-	-	-	37,769
Amortization expenses	55,494	35,252	335,814	536,828	-	17,224	53,183	-	1,033,795
External transfers	-	-	-	-	42,936	149,945	-	-	192,881
	1,415,794	354,593	1,412,394	1,961,763	46,346	596,977	617,662	293,857	6,699,386
<b>Revenues</b>									
Taxation	450,251	112,768	449,170	623,880	14,739	189,851	196,429	93,451	2,130,539
Federal grants	-	-	284,142	8,958	-	-	20,398	136,312	449,810
Provincial grants	593,600	-	37,610	-	-	-	15,070	26,818	673,098
Fees and user charges	16,597	25,376	49,743	1,172,499	3,268	-	74,663	-	1,342,146
Licenses, permits and rents	21,485	32,559	78,276	13,361	-	403,553	-	15,636	564,870
Interest and other	125,533	-	-	-	-	-	210	-	125,743
	1,207,466	170,703	898,941	1,818,698	18,007	593,404	306,770	272,217	5,286,206
<b>Annual Surplus (Deficit)</b>	<b>\$ (208,328)</b>	<b>\$ (183,890)</b>	<b>\$ (513,453)</b>	<b>\$ (143,065)</b>	<b>\$ (28,339)</b>	<b>\$ (3,573)</b>	<b>\$ (310,892)</b>	<b>\$ (21,640)</b>	<b>\$ (1,413,180)</b>

---

## Independent Auditors' Report

---

To the Management of The Corporation of the Township of Hornepayne:

### Opinion

I have audited the financial statements of the Trust Funds of The Corporation of the Township of Hornepayne (the Trust), which comprise the balance sheet as at December 31, 2024, a statement of continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds of The Corporation of the Township of Hornepayne as at December 31, 2024, and the results of its operations in accordance with Canadian public sector accounting standards.

### Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. I am independent of the Trust in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of these 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 the 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Trusts' financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statement

My 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 my 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 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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.



- Obtaining 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 Trust'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 managements' 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 Trusts' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause the Trust to cease 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Stefanizzi Professional Corporation  
Chartered Professional Accountant, authorized to practice public accounting by  
The Chartered Professional Accountants of Ontario  
Sault Ste. Marie, Ontario  
July 15, 2025

**The Corporation of the Township of Hornepayne**  
**Trust Funds**  
**Statement of Financial Position**

<b>As at December 31,</b>		
	<b>Actual 2024</b>	<b>Actual 2023</b>
<b>Assets</b>		
Cash	\$ 75,218	\$ 71,206
<b>Fund Balances</b>		
Capital	\$ 75,218	\$ 71,206

**The Corporation of the Township of Hornepayne**  
**Trust Funds**  
**Statement of Continuity**

**Year ended December 31**, (with comparative figures for the prior year)

	<b>Actual 2024</b>	<b>Actual 2023</b>
<b>Balance, beginning of year</b>	\$ 71,206	\$ 67,187
<b>Cash receipts</b>		
Interest earned	2,033	2,498
Plot sales and monuments	1,979	1,521
	4,012	4,019
<b>Balance, end of year</b>	\$ 75,218	\$ 71,206

---

**The Corporation of the Township of Hornepayne**  
**Trust Funds**  
**Notes to Financial Statements**

**December 31, 2024**

---

**1. Summary of significant account policies**

**Management responsibility**

The financial statements of The Corporation of the Township of Hornepayne Trust Funds are the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Chartered Professional Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations.

**Basis of accounting**

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

---

**The Corporation of the Township of Hornepayne**  
**Public Library Board**  
**(Unaudited)**

**Year ended December 31**, (with comparative figures for the prior year)

	<b>2024</b>	<b>2023</b>
<b>Revenues</b>		
Municipal contribution	\$ 140,900	\$ 130,750
Provincial grants	3,763	15,070
Fines and photocopies	867	948
Donations	2,156	1,342
Other	1,961	2,295
	<b>149,647</b>	<b>150,405</b>
<b>Expenditures</b>		
Wages and employee benefits	105,536	94,993
Subscriptions and films	17,046	14,789
Equipment	2,676	11,355
Supplies	5,398	5,466
Travel	4,196	3,520
Telecommunications	2,264	2,207
Repairs and maintenance	289	808
Amortization	567	680
Insurance	-	52
	<b>137,972</b>	<b>133,870</b>
<b>Surplus for the year</b>	<b>\$ 11,675</b>	<b>\$ 16,535</b>