

Local Services Board of Pellatt, Pelican, Umbach, Gidley
Financial Statements
September 30, 2025

Local Services Board of Pellatt, Pelican, Umbach, Gidley
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For the year ended September 30, 2025

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Management's Responsibility

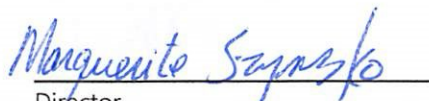
To the Board of Directors of Local Services Board of Pellatt, Pelican, Umbach, Gidley:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external accountants. The Board is also responsible for recommending the appointment of the Organization's external accountants.

MNP LLP is appointed by the Board of Directors to review the financial statements and report directly to them; their report follows. The external accountants have full and free access to, and meet periodically and separately with, both the Board and management to discuss their review engagement results.


Director


Director

Independent Practitioner's Review Engagement Report

To the Board of Directors of Local Services Board of Pellatt, Pelican, Umbach, Gidley:

We have reviewed the accompanying financial statements of Local Services Board of Pellatt, Pelican, Umbach, Gidley (the "Organization") that comprise the statement of financial position as at September 30, 2025, and the statements of operations and accumulated operating 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.

Management's Responsibility 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 financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the Organization, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

As discussed in the significant accounting policies, capital asset purchases have been expensed in the statement of operations, which constitutes a departure from Canadian public sector accounting standards. This is the result of a decision taken by the Board in fiscal 2017. Based on the straight-line method of depreciation and annual rates of 7% for signs and fitting, the surplus for the year should be decreased by \$2,830 in 2025 (2024 - \$2,830), tangible capital assets should be increased by \$16,430 in 2025 (2024 - \$19,261) and ending accumulated surplus should be increased by \$16,430 in 2025 (2024 - \$19,261). For September 30, 2024, we issued an audit opinion, which was modified accordingly because of the effects of this departure from Canadian public sector accounting standards.

MNP LLP

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Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Local Services Board of Pellatt, Pelican, Umbach, Gidley as at September 30, 2025, 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.

Kenora, Ontario

June 19, 2026

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Local Services Board of Pellatt, Pelican, Umbach, Gidley
Statement of Financial Position

As at September 30, 2025

	2025	2024
Financial assets		
Cash	24,636	8,943
Liabilities		
Accounts payable and accruals	5,499	3,000
Net financial assets	19,137	5,943
Non-financial assets		
Prepaid expenses	1,017	1,110
Accumulated surplus	20,154	7,053

Approved on behalf of the Board

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Director

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Director

Local Services Board of Pellatt, Pelican, Umbach, Gidley

Statement of Operations and Accumulated Operating Surplus

For the year ended September 30, 2025

	<i>Schedules</i>	<i>2025 Budget</i>	<i>2025</i>	<i>2024</i>
Revenue				
Eligible				
Minister of Finance - levies		95,687	95,689	96,265
Ineligible				
Ministry of Northern Development		2,470	2,470	2,470
Insurance proceeds		-	13,188	5,025
Miscellaneous		-	30	-
		98,157	111,377	103,760
Program expenses				
Administration	1	11,575	7,986	8,066
Protection Services	2	90,500	90,290	90,627
Total expenditures		<u>102,075</u>	<u>98,276</u>	<u>98,693</u>
Annual surplus		(3,918)	13,101	5,067
Accumulated surplus, beginning of year		=	<u>7,053</u>	<u>1,986</u>
Accumulated surplus, end of year		<u>(3,918)</u>	<u>20,154</u>	<u>7,053</u>

The accompanying notes are an integral part of these financial statements

Local Services Board of Pellatt, Pelican, Umbach, Gidley

Statement of Change in Net Financial Assets

For the year ended September 30, 2025

	2025 Budget	2025	2024
Annual surplus	(3,918)	13,101	5,067
Acquisition of prepaid expenses	-	(1,017)	(1,110)
<u>Use of prepaid expenses</u>	<u>:</u>	<u>1,110</u>	<u>1,551</u>
Net change in net financial assets	(3,918)	13,194	5,508
<u>Net financial assets, beginning of year</u>	<u>:</u>	<u>5,943</u>	<u>435</u>
<u>Net financial assets, end of year</u>	<u>(3,918)</u>	<u>19,137</u>	<u>5,943</u>

The accompanying notes are an integral part of these financial statements

Local Services Board of Pellatt, Pelican, Umbach, Gidley

Statement of Cash Flows

For the year ended September 30, 2025

	2025	2024
Operating activities		
Annual surplus	13,101	5,067
Changes in working capital accounts		
Prepaid expenses and deposits	93	441
Accounts payable and accruals	2,499	-
Increase in cash resources	15,693	5,508
<u>Cash resources, beginning of year</u>	<u>8,943</u>	<u>3,435</u>
Cash resources, end of year	24,636	8,943

The accompanying notes are an integral part of these financial statements

Local Services Board of Pellatt, Pelican, Umbach, Gidley

Notes to the Financial Statements

For the year ended September 30, 2025

1. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Nature of Business

The Local Services Board of Pellatt, Pelican, Umbach, Gidley (the "Board") is a local services board in the Province of Ontario and operates under the provisions of the Northern Services Boards Act. The Board provides fire services, 911 emergency communication services and recreation.

Revenue recognition

Fire protection and 911 emergency service levies are recognized as revenue in the year they are levied.

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Insurance proceeds are recognized as revenue when the amounts become known and collectible, which is generally on a cash basis as the amounts are contingent until the claims are settled.

Sales of service and other miscellaneous revenue are recognized on an accrual basis when collection is reasonably assured.

Tangible capital assets

Expenditures for capital assets are recorded as expenses in the year in which they are incurred, and as such no provision for their amortization is recorded in the financial statements.

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. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Commitments

The board has committed to a contract for fire protection services totalling \$127,500 for the period of October 1, 2025 to September 30, 2026.

The board has committed to an agreement for 911 emergency call routing services in the amount of \$2,392 annually effective from January 2026 till terminated by either party.

Local Services Board of Pellatt, Pelican, Umbach, Gidley

3. Budget information

The budget figures have been derived from the budget approved by the Board of Directors on June 7, 2025.

Notes to the Financial Statements
For the year ended September 30, 2025

Accumulated surplus

Accumulated surplus consists of the following:

Unrestricted accumulated surplus		
Balance, beginning of year	7,053	1,986
Annual surplus	13,101	5,067
Transfer to reserve	(5,000)	-
	15,154	7,053
Internally restricted accumulated surplus - contingency reserve		
Balance, beginning of year	-	-
Transfer from unrestricted	5,000	-
	5,000	-
	20,154	7,053

4.

Local Services Board of Pellatt, Pelican, Umbach, Gidley

In 2025, the Board of Directors established a contingency reserve fund and approved a transfer of \$5,000 from unrestricted accumulated surplus.

5. Segments

The Board is a municipal government institution that provides primarily administration and fire protection and 911 emergency call routing services. The Board also received approval for the power of recreation but has not yet carried out any such activities.

Administration Schedule 1 - Schedule of Expenses by Object

For the year ended September 30, 2025

	2025 Budget	2025	2024
Expenses			
Insurance	1,025	1,001	996
Office supplies	3,500	-	-
Professional fees	4,500	4,449	4,534
Bank charges and interest	50	36	36
<u>Honourarium</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
	11,575	7,986	8,066

Local Services Board of Pellatt, Pelican, Umbach, Gidley
Protection Services Schedule 2 - Schedule of Expenses by Object

For the year ended September 30, 2025

	2025	2025	2024
	<i>Budget</i>		
Expenses			
Contract services	3,000	2,392	2,429
Materials and supplies	-	-	293
Fees and licenses	-	398	405
<u>Fire protection - contract services</u>	<u>87,500</u>	<u>87,500</u>	<u>87,500</u>
	90,500	90,290	90,627
