Local Services Board of Pellatt, Pelican, Umbach, Gidley

Financial Statements
For the year ended September 30, 2024

DRAFT

Local Services Board of Pellatt, Pelican, Umbach, Gidley

Financial Statements
For the year ended September 30, 2024

DRAFT

Contents

Independent Auditor's Report	**1**
Financial Statements	
Statement of Financial Position	**3**
Statement of Operations	**4**
Statement of Change in Net Financial Assets	**5**
Statement of Cash Flows	**6**
Summary of Significant Accounting Policies	**7**
Notes to the Financial Statements	**8**

Independent Auditor's Report

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

Qualified Opinion

We have audited the financial statements of Local Services Board of Pellatt, Pelican, Umbach, Gidley (the "Organization"), which comprise the statement of financial position as at September 30, 2024, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at September 30, 2024, and the results of its operations, its changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

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 2024 (2023 - $2,830), tangible capital assets should be increased by $19,261 (2023 - 22,091) and ending accumulated surplus should be increased by $19,261 in 2024 (2023 - $22,091). Our audit opinion on the financial statements for the year ended September 30, 2023 was modified accordingly because of the effects of this departure from Canadian public sector accounting standards.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization 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 qualified opinion.

Other Matter

The financial statements for the year ended September 30, 2023 were audited by another auditor who expressed a modified opinion on those statements on May 6, 2025 for the reasons described in the Basis for Qualified opinion paragraph.

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

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

DRAFT

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization 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.

DRAFT

Kenora, Ontario

Chartered Professional Accountants

Licensed Public Accountants

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

September 30	2024	2023
Financial assets		
Cash and bank	**$ 8,943**	$ 3,435
Total financial assets	**8,943**	3,435
Liabilities		
Accounts payable and accrued liabilities	**3,000**	3,000
Net financial assets	**5,943**	435
Non-financial assets		
Prepaid expenses	**1,110**	1,552
Accumulated surplus	**$ 7,053**	$ 1,987

On behalf of the Board:

_____ Director

_____ Director

DRAFT

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Local Services Board of Pellatt, Pelican, Umbach, Gidley
Statement of Operations

For the year ended September 30	Budget	2024	2023
	(Note 3)		
Revenue			
Eligible			
Minister of Finance - levies	**$ 96,270**	**$ 96,265**	$ 87,384
Ineligible			
Ministry of Northern Development	**2,470**	**2,470**	2,470
Insurance proceeds	**-**	**5,025**	-
	98,740	**103,760**	89,854
Eligible Expenses			
Administration (Note 1)	**11,650**	**8,066**	7,795
Protection services (Note 1)	**90,500**	**90,628**	83,051
	102,150	**98,694**	90,846
Annual surplus (deficit)	**(3,410)**	**5,066**	(992)
Accumulated surplus, beginning of year	**3,410**	**1,987**	2,979
Accumulated surplus, end of year	**$ -**	**$ 7,053**	$ 1,987

DRAFT

Local Services Board of Pellatt, Pelican, Umbach, Gidley
Statement of Change in Net Financial Assets

For the year ended September 30	Budget	2024	2023
	(Note 3)		
Annual surplus (deficit)	**$ (3,410)**	**$ 5,066**	$ (992)
Acquisition of prepaid expenses	-	**(1,109)**	(1,552)
Use/consumption of prepaid expenses	-	**1,551**	1,957
Net change in net financial assets	**(3,410)**	**5,508**	(587)
Net financial assets, beginning of year	**435**	**435**	1,022
Net financial assets, end of year	**$ (2,975)**	**$ 5,943**	$ 435

DRAFT

Local Services Board of Pellatt, Pelican, Umbach, Gidley
Statement of Cash Flows

For the year ended September 30	2024	2023
Operating transactions		
Annual surplus (deficit)	**$ 5,066**	$ (992)
Changes in non-cash operating balances		
Prepaid expenses	**442**	405
	5,508	(587)
Net change in cash and cash equivalents	**5,508**	(587)
Cash and bank, beginning of year	**3,435**	4,022
Cash and bank, end of year	**$ 8,943**	$ 3,435

DRAFT

September 30, 2024

Management's Responsibility for the Financial Statements

The financial statements of the Board are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

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.

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.

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 is recognized on an accrual basis when collection is reasonably assured.

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.

DRAFT

1. Expenses by Object

	Budget 2024	Actual 2024	Actual 2023
	(Note 3)		
Administration			
Honourarium	$ 2,500	**$ 2,500**	$ 2,500
Bank charges and interest	100	**36**	36
Insurance	1,050	**996**	987
Professional fees	4,500	**4,534**	4,232
Office supplies and miscellaneous	3,500	**-**	40
	11,650	**8,066**	7,795
Protection services			
Fire protection - contracted services	87,500	**87,500**	80,000
911 service			
- contracted services	2,500	**2,430**	2,392
- materials and supplies	500	**293**	254
- fees and licenses	-	**405**	405
	90,500	**90,628**	83,051
	$ 102,150	**$ 98,694**	$ 90,846

2. Commitments

The board has committed to a contract for fire protection services totalling $87,500 for the period of October 1, 2024 to September 30, 2025.

The board has committed to an agreement for 911 emergency call routing services in the amount of $2,392 annually effective from January 2025 till terminated by either party.

DRAFT

3. Budget

The unaudited budget figures have been provided for comparison purposes only and have been derived from the budget approved by the Board of Directors on November 25, 2023.

4. Segmented Information

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.

DRAFT