

Local Services Board of Nolulu
Financial Statements
For the year ended September 30, 2024

Contents

Independent Auditor's Report	2
Financial Statements	
Statement of Financial Position	4
Statement of Operations and Accumulated Surplus	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8
Schedule - Administration Expenditure	13

Independent Auditor's Report

To the Members of Local Services Board of Nolalu:

Opinion

We have audited the financial statements of the Local Services Board of Nolalu (the "Local Services Board"), which comprise the statement of financial position as at September 30, 2024, and the statements of operations and accumulated surplus, 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 and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Local Services Board as at September 30, 2024, and the results of its operations, 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 Opinion

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

Other Matter

The financial statements for the year ended September 30, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on February 9, 2024.

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

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

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

Those charged with governance are responsible for overseeing the Local Services Board'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 Local Services Board'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 Local Services Board'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 Local Services Board 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.

Thunder Bay, Ontario

January 28, 2025

MNP LLP

Chartered Professional Accountants

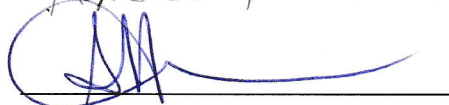
Licensed Public Accountants

Local Services Board of Nolalu Statement of Financial Position

September 30	2024	2023
Assets		
Cash (Note 2)	\$ 53,462	\$ 52,776
Government remittances	629	756
	54,091	53,532
Liabilities		
Accounts payable and accrued liabilities	14,593	13,831
Net financial assets and accumulated surplus (Note 3)	\$ 39,498	\$ 39,701

On behalf of the Board:

 Chair

 Secretary/Treasurer

Local Services Board of Nolalu Statement of Operations and Accumulated Surplus

For the year ended September 30	Budget 2024	2024	2023
	(Note 6)		
Revenue			
Eligible revenue			
Provincial land tax levy	\$ 133,660	\$ 133,660	\$ 124,005
Ineligible revenue			
Ministry of Northern Development and Mines operating grant	2,910	2,910	2,910
Interest and other revenue	50	107	234
	<u>136,620</u>	<u>136,677</u>	<u>127,149</u>
Expenditure			
Eligible expenditure			
Administration (Schedule)	17,695	18,704	18,138
Fire protection	76,849	76,849	72,720
Recreation	41,328	41,327	39,090
	<u>135,872</u>	<u>136,880</u>	<u>129,948</u>
Annual surplus (deficit)	748	(203)	(2,799)
Accumulated surplus, beginning of year	39,701	39,701	42,500
Accumulated surplus, end of year	\$ 40,449	\$ 39,498	\$ 39,701

The accompanying notes are an integral part of these financial statements.

Local Services Board of Nolulu Statement of Changes in Net Financial Assets

For the year ended September 30	Budget 2024	2024	2023
	(Note 6)		
Annual surplus (deficit)	\$ 748	\$ (203)	\$ (2,799)
Net financial assets, beginning of year	39,701	39,701	42,500
Net financial assets, end of year	\$ 40,449	\$ 39,498	\$ 39,701

The accompanying notes are an integral part of these financial statements.

Local Services Board of Nolalu Statement of Cash Flows

For the year ended September 30	2024	2023
Operating transactions		
Annual deficit	\$ (203)	\$ (2,799)
Changes in non-cash working capital balances:		
Government remittances	127	(50)
Accounts payable and accrued liabilities	762	1,743
Increase (decrease) in cash during the year	686	(1,106)
Cash, beginning of year	52,776	53,882
Cash, end of year	\$ 53,462	\$ 52,776

The accompanying notes are an integral part of these financial statements.

Local Services Board of Nolalu Notes to the Financial Statements

September 30, 2024

1. Significant Accounting Policies

Management's Responsibility for the Financial Statements	The financial statements of the Local Services Board of Nolalu are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards.
Nature of Business	The Local Services Board of Nolalu is a corporation without share capital established under The Northern Service Boards Act of the Province of Ontario on March 29, 2003. The Local Services Board of Nolalu was organized for the purpose of providing, maintaining and improving fire protection services in the Nolalu area and maintaining the Nolalu Community Centre.
Cash and Cash Equivalents	Cash and cash equivalents are comprised of cash on hand and balances with banks with maturities of three months or less.
Revenue Recognition	<p>The Board records the provincial land tax levy annually based on approved rates on an accrual basis. Government grants are recorded as revenue at the earlier of when received or collection is reasonably assured.</p> <p>Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made unless the transfer contains stipulations that create a liability. If the transfer contains stipulations that create a liability, the related revenue is recognized over the period that the liability is extinguished.</p> <p>Interest is recognized as it is earned.</p>
Contributed Materials and Services	Contributed materials and services, which are used in the normal course of operations and would otherwise have been purchased, are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Local Services Board of Nolalu Notes to Financial Statements

September 30, 2024

1. Significant Accounting Policies (cont'd)

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 year. Significant estimates include accrual for professional fees and allowance for uncollectible amounts. Actual results could differ from management's best estimates as additional information becomes available in the future.
Contingency Reserve	The Board has established a contingency reserve fund for the purpose of funding future contingencies of the Nolalu Community Centre and the Nolalu Emergency Services Team. These internally restricted amounts are not available for other purposes and must be approved by representatives of the Board.
Financial Instruments	<p>Cash is measured at fair value. Accounts receivable and accounts payable are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.</p> <p>Interest attributable to financial instruments are reported in the statement of operations.</p> <p>All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.</p> <p>Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost.</p>

2. Cash

Included in cash is \$11,549 (2023 - \$11,436) that is set-aside for the Local Services Board internally restricted contingency reserve. This bank account earns interest at 1.00% (2023 - 1.00%) per annum.

Local Services Board of Nolalu Notes to Financial Statements

September 30, 2024

3. Accumulated Surplus

	2024	2023
Contingency reserve	\$ 11,567	\$ 11,460
Accumulated operating surplus	27,931	28,241
	<u>\$ 39,498</u>	<u>\$ 39,701</u>

The Board has established a contingency reserve fund for the purpose of funding future contingencies of the Nolalu Community Centre and the Nolalu Emergency Services Team. These internally restricted amounts are not available for other purposes and must be approved by representatives of the Board. All interest earned in the reserve bank account is to be included in the contingency reserve.

	2024	2023
Beginning balance	\$ 11,460	\$ 10,870
Interest income	107	92
Board approved allocation	-	498
	<u>\$ 11,567</u>	<u>\$ 11,460</u>

4. Subsequent Events

On November 26, 2024, the Local Services Board entered into service contracts for fire protection and emergency services with Nolalu Energy Services Team and recreation services with Nolalu Community Centre both with terms expiring in September 2025. Under the provisions of the agreements, the Local Services Board is committed to pay \$81,369 and \$43,671 to Nolalu Emergency Services Team and Nolalu Community Centre, respectively.

5. Due from Ministry of Northern Development and Mines

Balance, beginning of year	\$ -
Grant for current year	
Least of:	
1/2 eligible expenditure	<u>\$ 68,440</u>
Eligible revenue	<u>\$ 133,660</u>
Eligible grant limit	<u>\$ 2,910</u>
Advance for current year	<u>2,910</u> <u>(2,910)</u>
Balance, end of year	<u>\$ -</u>

Local Services Board of Nolalu Notes to Financial Statements

September 30, 2024

6. Nolalu Emergency Services Team and Nolalu Community Centre

During the year the Local Services Board paid pre-determined contracted amounts to Nolalu Emergency Services Team and Nolalu Community Centre totaling \$118,176 (2023 - \$111,810) to provide fire protection and recreation services to the community of Nolalu.

Included in accounts payable and accrued liabilities as at September 30, 2024 is \$6,404 (2023 - \$5,917) payable to Nolalu Emergency Services Team and \$3,444 (2023 - \$3,182) payable to Nolalu Community Centre.

7. Budget

The budgeted figures are presented for comparison purposes only and are those approved by the Board of Directors for the year ended September 30, 2024.

8. Segmented Information

The Local Services Board provides a range of services to its residents. For management reporting purposes, operations and activities are organized and reported by program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Certain programs that have been separately disclosed in the statement of operations and accumulated surplus are as follows:

Administration

The administration program oversees the delivery of all government services. The Local Services Board is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities.

Fire Protection

The Local Services Board is responsible to provide fire suppression service, fire prevention programs, training and education related to prevention, detection and extinguishments of fires to its residents. The Local Services Board has entered into a contract with the Nolalu Emergency Services Team to provide these services.

Recreation

The Local Services Board is responsible to provide recreation services and to maintain the community centre for residents and property owners in the service area. The Local Services Board has entered into a contract with the Nolalu Community Centre to provide these services.

Local Services Board of Nolalu Notes to Financial Statements

September 30, 2024

9. Financial Instrument Risk Management

Financial instruments consist of cash, government remittances and accounts payable. At September 30, 2024, there are no significant differences between carrying values and their estimated market value.

The Local Services Board is exposed to liquidity risk from its financial instruments. It is management's opinion that the Local Services Board is not exposed to significant credit, currency or interest risk arising from its financial instruments. This note describes the Local Services Board's objectives, policies and processes for managing those risks and the methods used to measure them.

Liquidity Risk

Liquidity risk is the risk that the Local Services Board will encounter difficulty in meeting obligations associated with financial liabilities. The Local Services Board is exposed to liquidity risk through its accounts payable. The Local Services Board manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The contractual maturities (representing undiscounted contractual cash-flows) of its financial liabilities are \$14,593 (2023 - \$13,831) all due within 6 months.

There have not been any changes from the prior year in the Local Services Board's exposure to liquidity risk or the policies, procedures and methods it uses to manage and measure the risk.

Local Services Board of Nolalu

Schedule - Administration Expenditure By Object

For the year ended September 30	Budget 2024	2024	2023
	(Note 6)		
Administration			
Audit	\$ 4,000	\$ 5,172	\$ 5,246
Bank charges	150	96	36
Honorarium	9,445	9,797	9,589
Insurance	3,300	3,114	2,867
Office	500	525	400
Other	300	-	-
	\$ 17,695	\$ 18,704	\$ 18,138

The accompanying notes are an integral part of these financial statements.