



Consolidated Financial Statements

The Corporation of the Town of Marathon

December 31, 2022

Contents

	Page
Independent Auditor's Report	1 - 2
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations and Accumulated Surplus	4
Consolidated Statement of Change in Net Financial Assets	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 21
Schedule 1 - Consolidated Schedule of Accumulated Surplus	22
Schedule 2 - Consolidated Schedule of Tangible Capital Assets	23
Schedule 3 - Consolidated Schedule of Segment Disclosure	24 - 25

Independent Auditor's Report

Grant Thornton LLP

Suite 300
979 Alloy Drive
Thunder Bay, ON
P7B 5Z8

T +1 807 345 6571
F +1 807 345 0032
www.GrantThornton.ca

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Town of Marathon

Opinion

We have audited the consolidated financial statements of The Corporation of the Town of Marathon ("the Town"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Town of Marathon as at December 31, 2022, and its results of 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 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 Consolidated Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 1 of the consolidated financial statements, which describes that certain comparative information presented for the year ended December 31, 2021 has been restated. Our opinion is not modified with respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our 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 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 consolidated 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 consolidated 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 Town'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 Town'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 consolidated 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 Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Thunder Bay, Canada
June 12, 2023

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Town of Marathon

Consolidated Statement of Financial Position

As at December 31	2022	2021
	\$	\$
		<i>[restated - note 1]</i>
FINANCIAL ASSETS		
Cash and cash equivalents <i>[note 4]</i>	3,581,400	3,959,473
Investments <i>[note 5]</i>	8,120,783	7,266,467
Taxes receivable <i>[note 6]</i>	479,304	355,420
User charges receivable	46,869	42,167
Accounts receivable	695,198	423,385
Total financial assets	12,923,554	12,046,912
LIABILITIES		
Accounts payable and accrued liabilities	1,975,980	1,148,868
Deferred revenue <i>[note 8]</i>	1,305,194	1,376,066
Debt <i>[note 9]</i>	7,861,831	8,146,734
Landfill closure and post-closure liability <i>[note 10]</i>	780,331	1,069,936
Total liabilities	11,923,336	11,741,604
NET FINANCIAL ASSETS	1,000,218	305,308
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[schedule 2]</i>	45,117,622	45,631,552
Prepaid expenses	21,050	21,072
	45,138,672	45,652,624
Accumulated surplus <i>[schedule 1]</i>	46,138,890	45,957,932

See accompanying notes to the consolidated financial statements.

On behalf of the Board:

Director

Director

The Corporation of the Town of Marathon Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31	2022	2022	2021
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 15]</i>		<i>[restated - note 1]</i>
REVENUES [schedule 3]			
Taxation	5,379,211	5,397,501	5,333,922
User charges			
Water and sewer	1,282,140	1,278,049	1,260,288
Other fees and service charges	1,468,390	1,766,773	1,749,564
	2,750,530	3,044,822	3,009,852
Government transfers			
Government of Canada	595,000	157,686	82,761
Province of Ontario	2,131,840	2,797,262	2,165,116
	2,726,840	2,954,948	2,247,877
Other			
Investment income	181,670	225,245	161,627
Penalties and interest on taxes	62,539	99,357	62,539
Gain (loss) on disposal of tangible capital assets	116,000	120,934	(501,181)
Sundry	423,650	420,279	527,649
Rental	676,000	674,610	665,882
	1,459,859	1,540,425	916,516
Total revenues	12,316,440	12,937,696	11,508,167
EXPENSES [schedule 3]			
General government	1,834,970	1,965,497	2,490,011
Protection to persons and property	1,538,241	1,523,843	1,426,580
Transportation services	2,487,169	2,682,970	2,273,566
Environmental services	2,003,542	1,973,931	2,455,429
Health services	337,486	319,200	298,213
Social and family services	1,255,090	1,401,469	1,132,412
Recreation and cultural services	2,304,011	2,559,329	2,226,028
Planning and development	311,720	330,499	193,802
	12,072,229	12,756,738	12,496,041
Annual surplus (deficit)	244,211	180,958	(987,874)
Accumulated surplus, beginning of year, as previously stated		43,163,694	44,220,027
Correction of prior period <i>[note 1]</i>		2,794,238	2,725,779
Accumulated surplus, beginning of year, as restated		45,957,932	46,945,806
Annual surplus (deficit)		180,958	(987,874)
Accumulated surplus, end of year		46,138,890	45,957,932

See accompanying notes to the consolidated financial statements.

The Corporation of the Town of Marathon Consolidated Statement of Change in Net Financial Assets

Year ended December 31	2022	2022	2021
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 15]</i>		<i>[restated - note 1]</i>
Annual surplus (deficit)	244,211	180,958	(987,874)
Acquisition of tangible capital assets	(2,105,023)	(1,468,862)	(2,482,426)
Amortization of tangible capital assets	1,982,792	1,982,792	1,974,435
Proceeds on disposal of tangible capital assets	-	15,000	39,000
Loss (gain) on disposal of tangible capital assets	-	(15,000)	601,181
Acquisition of prepaid expenses	-	(21,050)	(21,072)
Use of prepaid expenses	-	21,072	27,717
Increase (decrease) in net financial assets	121,980	694,910	(849,039)
Net financial assets, beginning of year	305,308	305,308	1,154,347
Net financial assets, end of year	427,288	1,000,218	305,308

See accompanying notes to the consolidated financial statements.

The Corporation of the Town of Marathon

Consolidated Statement of Cash Flows

Year ended December 31	2022	2021
	\$	\$ <i>[restated - note 1]</i>
OPERATIONS		
Annual surplus (deficit)	180,958	(987,874)
Non-cash charges		
Amortization of tangible capital assets	1,982,792	1,974,435
Loss (gain) on disposal of tangible capital assets	(15,000)	601,181
Increase (decrease) in landfill closure and post-closure liability	(289,605)	389,316
	1,859,145	1,977,058
Net change in non-cash working capital balances		
Decrease (increase) in taxes receivable	(123,884)	201,308
Decrease (increase) in user charges receivable	(4,702)	28,544
Decrease (increase) in accounts receivable	(271,613)	883,727
Increase (decrease) in accounts payable and accrued liabilities	826,912	124,418
Increase (decrease) in deferred revenue	(70,872)	535,434
Decrease in prepaid expenses	22	6,645
Cash provided by operating transactions	2,215,008	3,757,134
CAPITAL		
Acquisition of tangible capital assets	(1,468,862)	(2,482,426)
Proceeds on disposal of tangible capital assets	15,000	39,000
Cash used in capital transactions	(1,453,862)	(2,443,426)
INVESTING		
Acquisition of investments, net	(854,316)	(1,677,680)
Cash used in investing transactions	(854,316)	(1,677,680)
FINANCING		
Repayment of long-term debt	(284,903)	(604,102)
Cash used in financing transactions	(284,903)	(604,102)
Decrease in cash and cash equivalents	(378,073)	(968,074)
Opening cash and cash equivalents	3,959,473	4,927,547
Closing cash and cash equivalents	3,581,400	3,959,473

See accompanying notes to the consolidated financial statements.

The Corporation of the Town of Marathon

Notes to the Consolidated Financial Statements

December 31, 2022

GENERAL

The Corporation of the Town of Marathon (the "Town") is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and related legislation.

MANAGEMENT RESPONSIBILITY

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

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

1. CORRECTION OF PRIOR PERIOD

In previous years, the Town did not consolidate Marathon Seniors Supportive Housing Corporation, a controlled government not-for-profit organization, in its consolidated financial statements. As a result, the December 31, 2021 figures, presented for comparative purposes, have been restated from those previously reported as follows:

	As previously Reported	Increase (decrease)	As restated
	\$	\$	\$
Statement of Financial Position			
Cash and cash equivalents	3,879,227	80,246	3,959,473
Accounts receivable	400,067	23,318	423,385
Accounts payable and accrued liabilities	1,072,573	76,295	1,148,868
Debt	1,298,711	6,848,023	8,146,734
Tangible capital assets - net	36,016,560	9,614,992	45,631,552
Accumulated surplus	43,163,694	2,794,238	45,957,932

The Corporation of the Town of Marathon

Notes to the Consolidated Financial Statements

December 31, 2022

	As previously Reported \$	Increase (decrease) \$	As restated \$
Statement of Operations and Accumulated Surplus			
Rental	-	665,882	665,882
Sundry	222,041	305,608	527,649
Health services expenses	298,213	-	298,213
Social and family services	251,827	880,585	1,132,412
Annual deficit	(1,056,333)	(68,459)	(987,874)
Accumulated surplus, beginning of year	44,220,027	2,725,779	46,945,806

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of The Corporation of the Town of Marathon ("Town") are prepared by management in accordance with accounting policies generally accepted for the local government as prescribed by the Public Sector Accounting Board ("PSAB") of CPA Canada. The more significant of these accounting policies are as follows:

[a] Basis of consolidation

Reporting entity

These consolidated financial statements reflect the financial assets, liabilities, revenues and expenses, and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, local boards, and committees accountable for the administration of their financial affairs and resources, to the Town, and which are owned or controlled by the Town. Accordingly, the following are consolidated in these financial statements.

Marathon Centennial Public Library Board
 Marathon Seniors Supportive Housing Corporation ("MSSHC")
 Marathon Economic Development Corporation (in-active)

All interfund balances and transactions have been eliminated.

Local boards

The financial activities of certain entities associated with the Town are not consolidated. The Town's contributions to these entities are recorded in the Consolidated Statement of Operations and Accumulated Surplus. The entities that are accounted for in this manner are:

Thunder Bay District Health Unit
 The District of Thunder Bay Social Services Administration Board

The Corporation of the Town of Marathon

Notes to the Consolidated Financial Statements

December 31, 2022

Trust funds

Certain assets have been conveyed or assigned to the Town to be administered as directed by agreement or statute. The Town holds the assets for the benefit of and stand in fiduciary relationships to the beneficiaries, as a result, the trust funds and assets are excluded from these consolidated financial statements.

Accounting for school board transactions

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

[b] Basis of accounting

Accrual accounting

The Town uses the accrual basis of accounting which recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent. The Town recognizes a liability until the obligation or conditions underlying the liability is partly or wholly satisfied and recognizes an asset until the future economic benefit underlying the asset is partly or wholly used or lost.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances in banks and credit unions.

Temporary investments

Temporary investments are recorded at cost plus accrued interest.

Employee benefits

The Town accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined benefit plan. Obligations for sick leave under employee benefits payable are accrued as the employees render the services necessary to earn the benefits. Vacation pay and other post-employment benefits are charged to operations in the year earned.

The Corporation of the Town of Marathon

Notes to the Consolidated Financial Statements

December 31, 2022

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 annual surplus, provides the change in net financial assets for the year.

[a] Tangible capital assets

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

Buildings	20 to 60 years
Land improvements	20 to 40 years
Machinery and equipment	10 to 30 years
Other	5 to 20 years
Transportation - roads and other structures	20 to 80 years
Underground and other networks	30 to 60 years
Vehicles	10 to 20 years

Amortization charged in the year of acquisition and in the year of disposal is based on the number of months the asset is in use in that year. Assets under construction are not amortized until the asset is available for productive use, at which time they are transferred to their respective tangible capital asset categories.

[b] 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. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

[c] Tangible capital assets recognized at nominal value

Assets for which there is a difficulty of determining a tenable valuation are assigned a nominal value of one dollar.

[d] Capitalization of interest

The Town has a policy of capitalizing borrowing costs incurred when financing the acquisition of a tangible capital asset, for those interest costs incurred up to the date the asset goes into use.

The Corporation of the Town of Marathon

Notes to the Consolidated Financial Statements

December 31, 2022

[e] Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property to the Town are accounted for as the acquisition of a capital asset and the incurrence of an obligation at the present value of future minimum lease payments. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Taxation revenue

Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Town is required to collect on behalf of the Province of Ontario in respect of education taxes. Property tax billings are prepared by the Town based on assessment rolls, supplementary assessment rolls and other assessment adjustments issued by the Municipal Property Assessment Corporation ("MPAC"). Taxation revenue is initially recorded at the time assessment information is received from MPAC and is subsequently adjusted based on management's best estimate of the amount of tax revenue resulting from assessment adjustments that have not yet been received from MPAC. The Town is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.

At each financial statement date, management evaluates the extent to which the taxes receivable are ultimately collectible and valuation allowances are used to reflect tax receivables at their net recoverable amount.

At each financial statement date, management evaluates the likelihood of having to repay taxes collected under tax measures that have been deemed authorized using the concept of legislative convention and recognizes a liability when required. Related refunds are accounted for in the period in which the change in estimate occurs.

Reserves and reserve funds

Council segregates its accumulated surplus into various categories including reserve and reserve funds which are specifically for future operating and capital purposes.

Revenue recognition

User charges and fees are recognized as revenue in the period in which the related services are performed. Amounts collected for which the related services have yet to be performed are recognized as a liability and recognized as revenue when the related services are performed.

Investment income earned on surplus funds are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the deferred revenue balance.

Rental revenue is recognized when rent is receivable based on tenant occupancy.

The Corporation of the Town of Marathon

Notes to the Consolidated Financial Statements

December 31, 2022

Prepaid rents are recorded as accounts payable and accrued liabilities.

Funds received, other than government transfers and tax revenue, for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the Consolidated Statement of Financial Position. The revenue is recognized in the Consolidated Statement of Operations and Accumulated Surplus in the year in which it is used for the specified purpose.

Government transfers

Government transfers are transfers of monetary assets or tangible capital assets from a government to an individual, an organization or another government that are not the result of an exchange transaction, expected to be repaid in the future or expected to produce a direct financial return. Government transfers received are recognized in the financial statements as a revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers made to a recipient by the Town are recorded as an expense when they are authorized and the recipient meets all eligibility criteria.

The Town receives Gas Tax proceeds from the Federal Government through the Association of Municipalities of Ontario. These funds, by their nature are restricted in their use and, until applied to specific expenses, are recorded as deferred revenue. Amounts applied to qualifying projects are recorded as revenue in the fiscal period they are expended.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experiences, best knowledge of current events and actions that the Town may undertake in the future. Significant accounting estimates include valuation allowance for accounts receivable, estimated useful lives of tangible capital assets, employee benefits payable and solid waste landfill closure and post-closure liabilities. Actual results could differ from these estimates.

Landfill closure and post-closure liability

The obligation to close and maintain solid waste landfill sites is based on the estimated future expenses in current dollars, adjusted for estimated inflation and is charged to expenses as the landfill site's capacity is used.

The Corporation of the Town of Marathon

Notes to the Consolidated Financial Statements

December 31, 2022

3. CEMETERY CARE AND MAINTENANCE TRUST FUND

The only trust fund currently administered by the Town is the Cemetery Care and Maintenance Trust Fund. This trust fund which amounts to \$75,220 [2021 - \$71,240] has not been included in the Consolidated Statement of Financial Position nor has its operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

4. CASH AND CASH EQUIVALENTS

The Town has available a line of credit of \$1,500,000 [2021 - \$1,500,000] for which the Town has provided a general security agreement of which \$nil [2021 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at bank prime less 0.75%.

5. INVESTMENTS

Investments consist of Guaranteed Investment Certificates of \$6,546,092 [2021 - \$5,740,088] maturing dates ranging from February 2023 to November 2023 yielding interest rates of 1.55% to 4.7% [2021 - 1.15% to 1.9%]. Investments in Bond and Equity Funds of \$1,574,691 [2021 - \$1,526,379] are held and administered by the One Investment Program.

6. TAXES RECEIVABLE

	2022	2021
	\$	\$
Property and business taxes receivable	1,039,304	845,420
Allowance for property and business tax arrears	(560,000)	(490,000)
	479,304	355,420

7. PENSION AGREEMENTS

The Town makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi employer plan, on behalf of certain 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. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all the pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2022. The results of this valuation disclosed total actuarial liabilities of \$130,306 million with respect to benefits accrued for services with actuarial assets at that date of \$123,628 million indicating an actuarial deficit of \$6,678 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organization and their employees. As a result, the Town does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2022 was \$257,332 [2021 - \$257,211] for current service.

The Corporation of the Town of Marathon

Notes to the Consolidated Financial Statements

December 31, 2022

8. DEFERRED REVENUE

	2022	2021
	\$	\$
Unearned Gas Tax proceeds	624,790	408,297
Province of Ontario	380,404	380,404
Ontario Community Infrastructure Fund	146,463	390,055
Other	153,537	197,310
	1,305,194	1,376,066

The continuity of deferred revenue is as follows:

	2022	2021
	\$	\$
Balance, beginning of year	1,376,066	840,632
Gas Tax grant funding proceeds received	216,493	408,197
Conditional grant and other revenue received	417,586	238,076
Conditional grant and other revenue utilized	(704,951)	(110,839)
Balance, end of year	1,305,194	1,376,066

9. DEBT

[a] The balance of debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2022	2021
	\$	\$
		<i>[restated - note 1]</i>
TD Canada Trust		
MSSHC loan repayable in monthly payments of \$33,272 including interest at 3.587% maturing August 31, 2023.	6,691,847	6,848,023
Ontario Infrastructure and Lands Corporation		
Debenture loan repayable in semi-annual payments of \$82,161 including interest at 2.81% maturing October 2030.	1,169,984	1,298,711
	7,861,831	8,146,734

The Corporation of the Town of Marathon

Notes to the Consolidated Financial Statements

December 31, 2022

[b] Future principal payments on long-term debt, assuming refinancing at similar terms and conditions, are approximately as follows:

	\$
2023	294,240
2024	303,889
2025	313,859
2026	324,160
2027	334,805
Thereafter	6,290,878
	<hr/> 7,861,831 <hr/>

[c] The Ontario Infrastructure and Lands Corporation debenture in [a] issued in the name of the Town has been approved by By-law #1889. The TD Canada Trust loan repayable was issued to Marathon Senior Supportive Housing Corporation. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ontario Ministry of Municipal Affairs and Housing.

[d] Total interest charges for the debt reported on the Consolidated Statement of Operations and Accumulated Surplus are \$277,785 [2021 - \$289,711]

[e] As security on the above Toronto-Dominion Bank loan, the Town has provided:

A general security agreement covering all present and future assets of MSSHC.

Assignment of MSSHC Fire Insurance in the minimum amount of \$13,875,000, with the Bank to be named as Loss Payee.

General Assignment of MSSHC Rents and Leases representing a first charge.

Unlimited guarantee provided by the Town.

The Corporation of the Town of Marathon

Notes to the Consolidated Financial Statements

December 31, 2022

10. LANDFILL CLOSURE AND POST-CLOSURE

Legislation requires closure and post-closure care of solid waste and landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post-closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

The Town owns and operates one landfill site and one closed landfill site. The active landfill site was opened in July 2015 covering 16.1 acres with a capacity of 844,395 tonnes. As at December 31, 2022, the remaining capacity of the site is estimated at 573,357 tonnes representing 67.9% of the total capacity. The open site is expected to close when it reaches its capacity in 2141.

The closure and post-closure costs for the open landfill site, and the post-closure costs for the closed site, are based upon best estimates by management. Post-closure care for the open landfill site is estimated to be required for 20 years from the date of closure. Post-closure care for the closed landfill site is estimated to be required until 2036.

The liability of \$780,331 [2021 - \$1,069,936] for closure and post-closure costs of the active site and the post-closure of the closed site, has been reported on the Consolidated Statement of Financial Position.

	2022	2021
	\$	\$
[a] OPERATING LANDFILL SITE (CAMP 19)		
Expected year capacity will be reached	2141	2141
Estimated closure and post-closure costs over the next 118 years [2021 - 119 years]	90,990,667	53,557,707
Discount rate	3.80 %	2.81 %
Inflation rate	3.00 %	2.55 %
Discounted cost	992,138	1,819,791
Capacity (tonnes):		
Used to date	271,038	268,260
Remaining	573,357	576,135
Total	844,395	844,395
Percent utilized	32.10 %	31.77 %
Liability based on the percentage utilized	318,462	578,138

The Corporation of the Town of Marathon

Notes to the Consolidated Financial Statements

December 31, 2022

[b] **CLOSED LANDFILL SITE (PENN LAKE ROAD)**

Estimated post-closure costs over the next 13 years [2021 - 14 years]	500,130	500,130
Discount rate	3.80 %	2.81 %
Liability based on discounted cost	461,869	491,798
Inflation rate	3.00 %	2.55 %
TOTAL LANDFILL CLOSURE & POST- CLOSURE LIABILITY	780,331	1,069,936

The liability recognized in the financial statements is subject to measurement uncertainty. The recognized amounts are based on the Town's best information and judgement. The amount could change by more than a material amount in the long-term.

11. TANGIBLE CAPITAL ASSETS

Schedule 2 provides information on the tangible capital assets of the Town by major asset class, as well as accumulated amortization of the assets controlled.

There were \$nil in write-downs of assets in 2022 [2021 - \$nil].

Interest capitalized during 2022 was \$nil [2021 - \$nil].

There were no contributed tangible capital assets in 2022 [2021 - \$nil].

There were no assets recorded at a nominal value in 2022 [2021 - \$nil].

12. SEGMENTED INFORMATION

The Town of Marathon is a diversified municipal government institution that provides a wide range of services to its citizens, including police, fire, ambulance and water. For management reporting purposes the Town's 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. Municipal 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

General government services are comprised of various administrative services, including the Finance Department, Corporate Services Departments, and Mayor and Council.

The Corporation of the Town of Marathon

Notes to the Consolidated Financial Statements

December 31, 2022

Protection to persons and property

Protection to persons and property is comprised of police services, fire services and protective inspection and control. The police services are contracted from the Ontario Provincial Police. The Fire Services Department is responsible for fire suppression, fire prevention programs, training and education related to prevention, detection or extinguishment of fires. Protective inspection and control ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and bylaws for the protection of occupants.

Transportation services

Transportation services include roadways, winter control, parking, street lighting and airport. Roadways covers the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, culverts and sidewalks. Winter control includes snowplowing, sanding and salting, snow removal and flood control. Street lighting plans, develops and maintains the street lighting system.

Environmental services

Environmental services consist of waterworks, sanitary sewer, waste collection and disposal and recycling. Waterworks provides drinking water to the citizens of Marathon. Sanitary sewer collects and treats wastewater. Waste collection and disposal and recycling includes the collection of solid waste, landfill site operations and waste minimization programs.

Health services

Health services includes public health services, ambulance and support to the Marathon Seniors Supportive Housing Corporation. Public health services represents the Town of Marathon's contribution to the activities of the Thunder Bay District Health Unit. The Thunder Bay District Health Unit provides health information and prevention-related clinical services; advocates for healthy public policy; investigates reportable diseases; and upholds regulations that apply to public health.

Social and family services

Social and family services represents the Town of Marathon's contribution to the activities of The District of Thunder Bay Social Services Administration Board (TBDSSAB) and the local food bank. TBDSSAB is responsible for Ontario Works program delivery, child care services and social housing.

Recreation and cultural services

Recreation and cultural services include parks, recreation programs and facilities, public library and contributions to cultural organizations. The community services department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and aquatic programs, the development and maintenance of various recreational facilities and the maintenance of parks and open spaces. The public library is dedicated to providing community access to local and global information resources that support lifelong learning, research and leisure activities. The Town makes contributions to various cultural organizations under specific funding programs.

The Corporation of the Town of Marathon

Notes to the Consolidated Financial Statements

December 31, 2022

Planning and development

The planning and development department manages urban development for business interest, environmental concerns, heritage matters and local neighbourhoods through city planning and community development and approval of all land development plans.

For additional information see the Consolidated Schedule of Segment Disclosure (Schedule 3).

13. RESERVES AND RESERVE FUNDS

The continuity of reserves and reserve funds, which make up a part of accumulated surplus noted in Schedule 1, is as follows:

	2022 \$	2021 \$
RESERVES		
Balance, beginning of year	4,213,614	5,166,860
Increases		
Contributions to reserves	14,429	165,143
Decreases		
Contribution to operations	243,523	1,118,389
Balance of Reserves, end of year	3,984,520	4,213,614
RESERVE FUNDS		
Balance, beginning of year	4,278,825	4,234,024
Increases		
Contributions to reserve funds	387,923	541,979
Interest earned	86,683	69,065
	474,606	611,044
Decreases		
Contributions to operations	-	566,243
Balance of Reserve Funds, end of year	4,753,431	4,278,825

Subsequent to year-end, the general fund surplus has been increased by an amount of \$53,608 transferred from the reserve for working capital as authorized by Council resolution on June 12, 2023. Had the increase not been made, the balance of the general fund surplus would have been \$872,198.

14. DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, the Council has designated \$4,753,431 [2021 - \$4,278,839] to support reserve funds.

The Corporation of the Town of Marathon

Notes to the Consolidated Financial Statements

December 31, 2022

15. BUDGET FIGURES

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the Statement of Operations and Accumulated Surplus has been adjusted to be presented on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statements:

	Approved Fiscal Plan \$	PSAS Adjustments \$	Fiscal Plan per Financial Statements \$
Revenues			
Taxation	5,379,211	-	5,379,211
User charges	2,750,530	-	2,750,530
Government transfers	2,726,840	-	2,726,840
Other	1,343,859	-	1,343,859
	12,200,440	-	12,200,440
Sale of tangible capital assets	116,000	-	116,000
Expenses			
General government	1,809,709	25,261	1,834,970
Protection to persons and property	1,456,191	82,050	1,538,241
Transportation services	1,693,202	793,967	2,487,169
Environmental services	1,801,036	202,506	2,003,542
Health services	394,498	33,988	428,486
Social and family services	905,592	258,498	1,164,090
Recreation and cultural services	2,022,804	281,207	2,304,011
Planning and development	296,010	15,710	311,720
	10,379,042	1,693,187	12,072,229
Subtotal	1,937,398	(1,693,187)	244,211 *
			<i>* Annual Surplus</i>
Transfer to Reserves	(508,784)	-	
Use of reserves	936,836	-	
Purchase of tangible capital assets	(2,105,023)	-	
Debt repayments	(284,927)	-	
Amortization	-	1,982,792	
Landfill	-	(289,605)	
Net deficit	(24,500)	-	

The Corporation of the Town of Marathon

Notes to the Consolidated Financial Statements

December 31, 2022

16. COMMITMENTS

The Town has certain multi-year service agreements and equipment operating leases. The future minimum annual payments over the next five years is as follows:

	\$
2023	431,839
2024	420,544
2025	37,874
2026	4,084
2027	3,873
	<hr/> 898,214 <hr/>

The most significant commitment is the contract with Northern Waterwork Inc. to operate the municipality's water and wastewater facilities up to January 31, 2025.

The Corporation of the Town of Marathon Schedule 1 Consolidated Schedule of Accumulated Surplus

Year ended December 31	2022	2021
	\$	\$ <i>[restated - note 1]</i>
Surplus		
General Fund*	925,479	1,050,611
Investments in tangible capital assets	45,117,622	45,631,552
Unfunded		
Debt	(7,861,831)	(8,146,734)
Landfill closure and post-closure liability	(780,331)	(1,069,936)
Total surplus	37,400,939	37,465,493
Reserves set aside for specific purposes by Council		
For acquisition of capital assets	1,110,565	1,236,051
For contingency	250,000	250,000
For working capital	2,623,955	2,727,563
Total reserves	3,984,520	4,213,614
Reserve funds set aside for specific purposes by Council		
For acquisition of capital assets	149,133	118,872
For water and sewer operations	4,604,298	4,159,953
Total reserve funds	4,753,431	4,278,825
Accumulated surplus	46,138,890	45,957,932
*General Fund consists of:		
Unexpended capital financing	878,742	983,706
Marathon Seniors Supportive Housing Corporation	(327)	27,269
Library	47,064	39,636
	925,479	1,050,611

The Corporation of the Town of Marathon
Consolidated Schedule of Tangible Capital Assets

Schedule 2

Year ended December 31, 2022

	General						Infrastructure			Totals	
	Land \$	Land Improvements \$	Buildings \$	Vehicles \$	Machinery and Equipment \$	Other \$	Roads and Other Structures \$	Underground and Other Networks \$	Assets Under Construction \$	2022 \$	2021 \$ <i>[restated - note 1]</i>
COST											
Balance, beginning of year	3,859,119	10,937,085	24,469,955	5,734,977	3,617,899	390,532	19,954,009	17,516,925	27,033	86,507,534	86,572,709
Add											
Additions during the year	-	-	-	139,915	-	5,708	836,623	-	486,616	1,468,862	2,482,426
Transfers	-	-	-	-	-	-	27,033	-	(27,033)	-	-
Less											
Disposals during the year	-	-	-	218,800	-	38,382	7,600	-	-	264,782	2,547,601
Balance, end of year	3,859,119	10,937,085	24,469,955	5,656,092	3,617,899	357,858	20,810,065	17,516,925	486,616	87,711,614	86,507,534
ACCUMULATED AMORTIZATION											
Balance, beginning of year	-	6,223,482	9,001,202	2,483,917	2,375,474	293,437	11,319,896	9,178,574	-	40,875,982	40,808,967
Add											
Amortization during the year	-	183,534	514,474	269,583	106,832	25,676	584,593	298,100	-	1,982,792	1,974,435
Less											
Accumulated amortization on disposals	-	-	-	218,800	-	38,382	7,600	-	-	264,782	1,907,420
Balance, end of year	-	6,407,016	9,515,676	2,534,700	2,482,306	280,731	11,896,889	9,476,674	-	42,593,992	40,875,982
Net book value, beginning of year	3,859,119	4,713,603	15,468,753	3,251,060	1,242,425	97,095	8,634,113	8,338,351	27,033	45,631,552	45,763,742
Net book value, end of year	3,859,119	4,530,069	14,954,279	3,121,392	1,135,593	77,127	8,913,176	8,040,251	486,616	45,117,622	45,631,552

The Corporation of the Town of Marathon
Consolidated Schedule of Segment Disclosure

Schedule 3

Year ended December 31, 2022

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	5,397,501	5,333,922	-	-	-	-	-	-	-	-
Government transfers	1,743,906	1,986,767	27,596	62,269	5,711	6,333	89,161	48,287	-	-
User fees and service charges	148,078	375,087	317,034	103,272	294,989	203,286	1,627,146	1,825,290	100,645	116,220
Other revenues	357,515	(350,039)	5,205	-	-	-	-	-	-	-
Interest income - general	223,187	158,887	2,058	2,740	-	-	-	-	-	-
	7,870,187	7,504,624	351,893	168,281	300,700	209,619	1,716,307	1,873,577	100,645	116,220
Expenses										
Salaries, wages and employee benefits	948,678	907,831	408,056	331,556	1,046,793	981,094	499,224	479,657	13,845	9,463
Debt charges	34,696	38,238	-	-	-	-	-	-	-	-
Materials	770,151	1,332,649	222,137	216,257	659,547	395,989	535,084	418,972	105,524	17,803
Contracted services	139,391	142,543	811,600	804,543	177,318	101,646	447,512	1,057,989	35,184	35,738
Rent and financials	47,320	43,489	-	-	5,345	4,140	-	-	-	-
External transfers	-	-	-	-	-	-	-	-	130,659	201,222
Amortization	25,261	25,261	82,050	74,224	793,967	790,697	492,111	498,811	33,988	33,987
	1,965,497	2,490,011	1,523,843	1,426,580	2,682,970	2,273,566	1,973,931	2,455,429	319,200	298,213
Annual surplus (deficit)	5,904,690	5,014,613	(1,171,950)	(1,258,299)	(2,382,270)	(2,063,947)	(257,624)	(581,852)	(218,555)	(181,993)

[restated -
note 1]

The Corporation of the Town of Marathon
Consolidated Schedule of Segment Disclosure

Schedule 3 (continued)

Year ended December 31, 2022

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
		[restated - note 1]						[restated - note 1]
Revenues								
Taxation	-	-	-	-	-	-	5,397,501	5,333,922
Government transfers	-	-	79,381	144,221	1,009,193	-	2,954,948	2,247,877
User fees and service charges	-	-	558,755	388,497	-	-	3,046,647	3,011,652
Other revenues	771,376	969,690	-	-	179,259	133,438	1,313,355	753,089
Interest income - general	-	-	-	-	-	-	225,245	161,627
	771,376	969,690	638,136	532,718	1,188,452	133,438	12,937,696	11,508,167
Expenses								
Salaries, wages and employee benefits	-	-	1,278,330	1,236,919	96,237	85,885	4,291,163	4,032,405
Debt charges	243,518	251,907	-	-	-	-	278,214	290,145
Materials	178,852	159,618	825,975	579,513	218,552	88,281	3,515,822	3,209,082
Contracted services	295,351	301,531	173,684	132,170	-	-	2,080,040	2,576,160
Rent and financials	-	-	133	4,105	-	-	52,798	51,734
External transfers	425,250	160,858	-	-	-	-	555,909	362,080
Amortization	258,498	258,498	281,207	273,321	15,710	19,636	1,982,792	1,974,435
	1,401,469	1,132,412	2,559,329	2,226,028	330,499	193,802	12,756,738	12,496,041
Annual surplus (deficit)	(630,093)	(162,722)	(1,921,193)	(1,693,310)	857,953	(60,364)	180,958	(987,874)



Financial Statements

Marathon Centennial Public Library Board

December 31, 2022

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations and Accumulated Surplus	4
Statement of Change In Net Financial Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 12

Independent Auditor's Report

Grant Thornton LLP

Suite 300
979 Alloy Drive
Thunder Bay, ON
P7B 5Z8

T +1 807 345 6571
F +1 807 345 0032
www.GrantThornton.ca

To the Board Members, Members of Council, Inhabitants and Ratepayers of
The Corporation of the Town of Marathon

Qualified Opinion

We have audited the financial statements of Marathon Centennial Public Library Board (“the Library”), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and accumulated surplus, change 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* paragraph, the financial statements present fairly, in all material respects, the financial position of Marathon Centennial Public Library Board as at December 31, 2022, and its results of 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 Qualified Opinion

In common with many not-for-profit organizations, the Library derives revenue from donations and user fees, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Library. Therefore, we were not able to determine whether any adjustments might be necessary to donations, user fees, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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 Library 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.

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 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 Library's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Library or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library'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 Library'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 Library'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 Library 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Thunder Bay, Canada
June 8, 2023

Chartered Professional Accountants
Licensed Public Accountants

Marathon Centennial Public Library Board

Statement of Financial Position

As at December 31	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	53,728	60,580
Accounts receivable	727	-
Harmonized Sales Tax recoverable	2,145	1,937
Total financial assets	56,600	62,517
LIABILITIES		
Accounts payable and accrued liabilities	9,536	11,360
Due to The Corporation of the Town of Marathon	-	11,522
Total liabilities	9,536	22,882
NET FINANCIAL ASSETS	47,064	39,635
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 3]</i>	19,446	23,355
Accumulated surplus <i>[note 2]</i>	66,510	62,990

See accompanying notes to the financial statements.

On behalf of the Board:

Director

Director

Marathon Centennial Public Library Board

Statement of Operations and Accumulated Surplus

Year ended December 31	2022	2022	2021
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 5]</i>		
REVENUES			
Municipal contribution	145,000	145,000	145,000
Grants	27,500	43,081	99,130
Other	1,000	5,809	8,183
Total revenues	173,500	193,890	252,313
EXPENSES			
Amortization	9,617	9,617	9,051
Equipment and circulation material	15,070	18,553	38,743
Office supplies	8,900	9,373	8,270
Professional	1,800	3,329	1,816
Programming	2,500	4,606	1,014
Training and travel	1,000	-	243
Utilities	13,230	13,371	11,400
Wages and benefits	121,000	131,521	166,405
Total expenses	173,117	190,370	236,942
Annual surplus	383	3,520	15,371
Accumulated surplus, beginning of year	62,990	62,990	47,619
Accumulated surplus, end of year	63,373	66,510	62,990

See accompanying notes to the financial statements.

Marathon Centennial Public Library Board Statement of Change in Net Financial Assets

Year ended December 31	2022	2022	2021
	Budget \$ <i>[note 5]</i>	Actual \$	Actual \$
Annual surplus	383	3,520	15,371
Acquisition of tangible capital assets	-	(5,708)	(7,453)
Amortization of tangible capital assets	9,617	9,617	9,051
Increase in net financial assets	10,000	7,429	16,969
Net financial assets, beginning of year	39,635	39,635	22,666
Net financial assets, end of year	49,635	47,064	39,635

See accompanying notes to the financial statements.

Marathon Centennial Public Library Board Statement of Cash Flows

Year ended December 31	2022	2021
	\$	\$
OPERATIONS		
Annual surplus	3,520	15,371
Non-cash charges		
Amortization of tangible capital assets	9,617	9,051
	13,137	24,422
Net change in non-cash working capital balances		
Increase in accounts receivable	(727)	-
Decrease (increase) in Harmonized Sales Tax recoverable	(208)	2,396
Decrease in accounts payable and accrued liabilities	(1,824)	(22,432)
Decrease in deferred revenue	-	(1,523)
Increase (decrease) in advance from The Corporation of the Town of Marathon	(11,522)	11,391
Cash provided by (used in) operating transactions	(1,144)	14,254
CAPITAL		
Acquisition of tangible capital assets	(5,708)	(7,453)
Cash used in capital transactions	(5,708)	(7,453)
Increase (decrease) in cash and cash equivalents	(6,852)	6,801
Opening cash and cash equivalents	60,580	53,779
Closing cash and cash equivalents	53,728	60,580

See accompanying notes to the financial statements.

Marathon Centennial Public Library Board

Notes to the Financial Statements

December 31, 2022

GENERAL

The Marathon Centennial Public Library Board (the "Library") is a Board of the Town of Marathon in the Province of Ontario, Canada. It conducts its operations guided by provisions of provincial and municipal statutes and related legislation.

MANAGEMENT RESPONSIBILITY

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

Accrual accounting

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable. Expenses 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.

Tangible capital assets

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

Computer hardware	5 years
Furniture and equipment	10 years
Library collection	10 years

Marathon Centennial Public Library Board

Notes to the Financial Statements

December 31, 2022

Contributions of tangible capital assets

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

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 at the present value of future minimum lease payments. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Cash and cash equivalents

Cash and cash equivalents consists of cash on deposit and cash on hand.

Revenue recognition

Government transfers are recognized in the financial statements as revenue 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.

User fees and other revenue are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.

Employee benefits

Obligations for sick leave under employee benefits payable are accrued as the employees render the services necessary to earn the benefits.

Marathon Centennial Public Library Board

Notes to the Financial Statements

December 31, 2022

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Board may undertake in the future. Significant accounting estimates include allowance for doubtful accounts and useful lives of tangible capital assets. Actual results could differ from those estimates.

Pensions

The Library accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan.

2. ACCUMULATED SURPLUS

	2022	2021
	\$	\$
General fund	47,064	39,635
Investment in tangible capital assets	19,446	23,355
Total accumulated surplus	66,510	62,990

Marathon Centennial Public Library Board

Notes to the Financial Statements

December 31, 2022

3. TANGIBLE CAPITAL ASSETS

	Library collection \$	Computer hardware \$	Furniture and equipment \$	2022 Total \$	2021 Total \$
COST					
Balance, beginning of year	61,937	23,662	25,279	110,878	117,962
Additions during the year	-	5,708	-	5,708	7,453
Less					
Disposals during the year	13,327	3,434	-	16,761	14,537
Balance, end of year	48,610	25,936	25,279	99,825	110,878
ACCUMULATED AMORTIZATION					
Balance, beginning of year	47,133	16,955	23,435	87,523	93,009
Add					
Amortization during the year	7,648	1,586	383	9,617	9,051
Less					
Accumulated amortization on disposals	13,327	3,434	-	16,761	14,537
Balance, end of year	41,454	15,107	23,818	80,379	87,523
Net book value, end of year	7,156	10,829	1,461	19,446	23,355

Marathon Centennial Public Library Board

Notes to the Financial Statements

December 31, 2022

4. PENSION AGREEMENTS

The Library makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi employer plan, on behalf of certain 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. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all the pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2022. The results of this valuation disclosed total actuarial liabilities of \$130,306 million with respect to benefits accrued for services with actuarial assets at that date of \$123,628 million indicating an actuarial deficit of \$6,678 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organization and their employees. As a result, the Library does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2022 was \$6,065 [2021 - \$12,972] for current service.

5. BUDGET FIGURES

The operating budget approved by the Library for 2022 is reflected on the Statement of Operations and Accumulated Surplus. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be incurred over a number of years and therefore may not be comparable with the current year's actual expenditures. The Library does not budget activity within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been restated to be comparable with the PSAB reporting reflected in the actual results. Below is a reconciliation of figures from the approved fiscal plan to the fiscal plan per the financial statements.

	Approved 2022 Budget \$	PSAB Adjustment \$	PSAB Adjusted Budget \$
Revenues	173,500	-	173,500
Expenses	163,500	9,617	173,117
Annual surplus (deficit)	10,000	(9,617)	383
Add:			
Amortization of tangible capital assets	-	9,617	9,617
Increase in net financial assets	10,000	-	10,000

Marathon Centennial Public Library Board

Notes to the Financial Statements

December 31, 2022

6. COMMITMENTS

The Library leases various office equipment under operating leases. The future minimum annual lease payments over the next 5 years are as follows:

	\$
2023	1,285
2024	1,285
2025	1,285
2026	1,285
2027	964
	<hr/> 6,104

7. ECONOMIC DEPENDENCE

The Library receives a substantial portion of its funding from the Town of Marathon. Continuity of its operations is therefore dependent on the continued funding support of the Town of Marathon.

8. SEGMENT DISCLOSURE

Since the Library's operations are not considered diverse and operations are managed as one department, no segment disclosure has been provided.



Financial Statements

Marathon Seniors Supportive Housing
Corporation

December 31, 2022

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations and Accumulated Surplus	4
Statement of Change in Net Debt	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 12

Independent Auditor's Report

Grant Thornton LLP

Suite 300
979 Alloy Drive
Thunder Bay, ON
P7B 5Z8

T +1 807 345 6571
F +1 807 345 0032
www.GrantThornton.ca

To the Board of Directors of
Marathon Seniors Supportive Housing Corporation

Opinion

We have audited the financial statements of Marathon Seniors Supportive Housing Corporation ("the Corporation"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of Marathon Seniors Supportive Housing Corporation as at December 31, 2022, and its results of operations, change in its net debt, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the 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.

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

Those charged with governance are responsible for overseeing the Corporation'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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation'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 Corporation 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.

Grant Thornton LLP

Thunder Bay, Canada
May 31, 2023

Chartered Professional Accountants
Licensed Public Accountants

Marathon Seniors Supportive Housing Corporation

Statement of Financial Position

As at December 31	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	24,392	80,246
Accounts receivable	218	200
Harmonized Sales Tax receivable	25,633	23,318
Total financial assets	50,243	103,764
LIABILITIES		
Accounts payable and accrued liabilities	23,761	27,294
Tenant deposits	6,200	4,800
Due to North of Superior Healthcare Group	20,522	44,401
Due to Town of Marathon	87	-
Long-term debt	6,691,847	6,848,023
Total liabilities	6,742,417	6,924,518
NET DEBT	(6,692,174)	(6,820,754)
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 3]</i>	9,356,494	9,614,992
Accumulated surplus <i>[note 2]</i>	2,664,320	2,794,238

See accompanying notes to the financial statements.

On behalf of the Board:

Director

Director

Marathon Seniors Supportive Housing Corporation

Statement of Operations and Accumulated Surplus

Year ended December 31	Budget	2022	2021
	\$	\$	\$
	<i>[note 7]</i>		
REVENUES			
Rental	676,000	674,610	665,882
Other revenue	46,900	47,534	55,608
Donations	30,000	30,000	250,000
Government transfers - municipal	90,000	89,157	58,523
Total revenues	842,900	841,301	1,030,013
EXPENSES			
Amortization	258,498	258,498	258,498
Bank charges	450	429	434
Insurance	38,100	38,100	37,605
Interest on debt	243,100	243,089	251,473
Materials and supplies	36,400	38,787	36,689
NOSH services	245,000	245,455	240,370
Professional fees	5,450	6,796	13,556
Repairs and maintenance	28,500	33,714	29,457
Utilities	92,500	84,200	71,732
Property taxes	21,700	22,151	21,740
Total expenses	969,698	971,219	961,554
Annual surplus (deficit)	(126,798)	(129,918)	68,459
Accumulated surplus, beginning of year	2,794,238	2,794,238	2,725,779
Accumulated surplus, end of year	2,667,440	2,664,320	2,794,238

See accompanying notes to the financial statements.

Marathon Seniors Supportive Housing Corporation

Statement of Change in Net Debt

Year ended December 31	Budget	2022	2021
	\$	\$	\$
	<i>[note 7]</i>		
Annual surplus (deficit)	(126,798)	(129,918)	68,459
Amortization of tangible capital assets	258,498	258,498	258,498
Decrease in net debt	131,700	128,580	326,957
Net debt, beginning of year	(6,820,754)	(6,820,754)	(7,147,711)
Net debt, end of year	(6,689,054)	(6,692,174)	(6,820,754)

See accompanying notes to the financial statements.

Marathon Seniors Supportive Housing Corporation

Statement of Cash Flows

Year ended December 31	2022	2021
	\$	\$
OPERATIONS		
Annual surplus (deficit)	(129,918)	68,459
Non-cash charges		
Amortization of tangible capital assets	258,498	258,498
	128,580	326,957
Net change in non-cash working capital balances		
Increase in accounts receivable	(18)	(200)
Decrease (increase) in Harmonized Sales Tax receivable	(2,315)	21,542
Increase (decrease) in accounts payable and accrued liabilities	(3,533)	13,178
Increase in tenant deposits	1,400	1,200
Increase (decrease) in Due to North of Superior Healthcare Group	(23,879)	21,400
Increase (decrease) in due to Town of Marathon	87	(9,623)
Cash provided by operating transactions	100,322	374,454
FINANCING		
Repayment of debt	(156,176)	(478,918)
Cash used in financing transactions	(156,176)	(478,918)
Decrease in cash and cash equivalents	(55,854)	(104,464)
Opening cash and cash equivalents	80,246	184,710
Closing cash and cash equivalents	24,392	80,246

See accompanying notes to the financial statements.

Marathon Seniors Supportive Housing Corporation

Notes to the Financial Statements

December 31, 2022

GENERAL

The Marathon Senior Supportive Housing Corporation (the "Corporation"), established in 2015, was federally incorporated by the Seniors Supportive Housing Committee with a mandate to provide services associated with aging to individuals, including housing.

The Corporation is a not-for-profit organization and, as such, is exempt from income taxes under Section 149 of the Income Tax Act (Canada).

MANAGEMENT RESPONSIBILITY

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

Accrual accounting

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable. Expenses 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.

Tangible capital assets

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

Buildings	40 years
-----------	----------

Marathon Seniors Supportive Housing Corporation

Notes to the Financial Statements

December 31, 2022

Contributions of tangible capital assets

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

Cash and cash equivalents

Cash and cash equivalents consists of cash on deposit and cash on hand.

Revenue recognition

Government transfers are recognized in the financial statements as revenue 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.

Rental revenue is recognized when rent is receivable based on tenant occupancy.

Other revenue is recognized as the services are provided.

Donations revenue is recognized when the donations are received.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revisions. Many items in the preparation of these financial statements require management's best estimate based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess (shortfall) of revenues over expenses as appropriate in the year they become known.

Significant items subject to management estimates include:

Financial statement element
Tangible capital assets

Management estimate
Asset useful lives

Marathon Seniors Supportive Housing Corporation

Notes to the Financial Statements

December 31, 2022

2. ACCUMULATED SURPLUS

	2022	2021
	\$	\$
General fund	(327)	27,269
Investment in tangible capital assets	9,356,494	9,614,992
Long-term debt	(6,691,847)	(6,848,023)
Total surplus	2,664,320	2,794,238

3. TANGIBLE CAPITAL ASSETS

Details of year-end tangible capital asset balances are as follows:

	2022			2021
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Building	10,476,652	1,120,158	9,356,494	9,614,992

Amortization for the year amounted to \$258,498.

4. LONG-TERM DEBT

[a] The balance of debt reported on the Statement of Financial Position is made up of the following:

	2022	2021
	\$	\$
TD Canada Trust		
Loan repayable in monthly payments of \$33,272 including interest at 3.587% maturing August 31, 2023	6,691,847	6,848,023

[b] Future principal payments on long-term debt, assuming refinancing at similar terms and conditions, are approximately as follows:

	\$
2023	161,871
2024	167,774
2025	173,892
2026	180,233
2027	186,805
Thereafter	5,821,272
	6,691,847

Marathon Seniors Supportive Housing Corporation

Notes to the Financial Statements

December 31, 2022

[c] Total interest charges for debt reported on the Statement of Operations and Accumulated Surplus are \$243,089 [2021 - \$251,473].

[d] As security on the above Toronto-Dominion Bank loan, the Company has provided:

A general security agreement covering all present and future assets.

Assignment of Fire Insurance in the minimum amount of \$13,875,000, with the Bank to be named as Loss Payee.

General Assignment of Rents and Leases representing a first charge.

Guarantee of Advances

- Unlimited; and
- Executed by The Corporation of the Town of Marathon (the "Guarantor") supported by a Borrowing Resolution/By-Law.

Borrowing Resolution/By-Law from the Guarantor authorizing the Advances in favour of the Borrower.

5. RELATED PARTY TRANSACTIONS

The Corporation is a government not-for-profit organization controlled by the Corporation of the Town of Marathon ("the Town"). The North of Superior Healthcare Group ("NOSH") holds two of the five positions on the Corporation's Board of Directors and NOSH is the day-to-day operators of the Corporation's facility.

During the normal course of operations, the Corporation entered into the following related party transactions. These transactions have been recorded at their exchange amount, which is the amount of consideration agreed to by the related parties.

	2022	2021
	\$	\$
Payments to NOSH (operating services agreement)	245,455	240,370
Payments to the Town (insurance, property taxes)	60,982	60,323
Donation from NOSH	30,000	-
Transfers from Town	89,157	58,524

Marathon Seniors Supportive Housing Corporation

Notes to the Financial Statements

December 31, 2022

As at the year end, balances due to (from) related parties are as follows:

	2022	2021
	\$	\$
Due to North of Superior Healthcare Group	20,522	44,401
Due to (from) Town of Marathon	(131)	(200)
	20,391	44,201

The balances due to the related parties above have no specific terms of repayment and are non-interest bearing.

6. FINANCIAL INSTRUMENTS

The Corporation's main financial instrument risk exposure is detailed as follow:

[a] Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's main credit risks relate to its accounts receivable. The Corporation has assessed that there are no significant concentrations of credit risk with respect of any class of financial assets.

[b] Liquidity risk

The Corporation's liquidity risk represents the risk that the Corporation could encounter difficulty in meeting obligations associated with its financial liabilities. The Corporation is exposed to liquidity risk mainly in respect of its accounts payable and accrued liabilities. Liquidity risk is not considered to be significant.

7. BUDGET FIGURES

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. A reconciliation of the adopted and reported budgets is presented below.

	Budget
	\$
Approved budget:	
Change in general operating surplus	(24,500)
Adjustments:	
Amortization of tangible capital assets	(258,498)
Principal debt repayments	156,200
Annual deficit	(126,798)

Marathon Seniors Supportive Housing Corporation

Notes to the Financial Statements

December 31, 2022

8. SEGMENT DISCLOSURE

Since the Corporation's operations are not considered diverse and operations are managed as one department, no segment disclosure has been provided.

9. COMPARATIVE FIGURES

The prior year figures, presented for comparative purposes, have been reclassified to adhere to the presentation adopted for the current year.



Financial Statements

The Corporation of the Town of Marathon

Cemetery Care and Maintenance Trust
Fund

December 31, 2022

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations and Accumulated Surplus	4
Statement of Change In Net Financial Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 8

Independent Auditor's Report

Grant Thornton LLP

Suite 300
979 Alloy Drive
Thunder Bay, ON
P7B 5Z8

T +1 807 345 6571
F +1 807 345 0032
www.GrantThornton.ca

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Town of Marathon

Opinion

We have audited the accompanying financial statements of the Cemetery Care and Maintenance Trust Fund of The Corporation of the Town of Marathon (“the Trust Fund”), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and accumulated surplus, change 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, the accompanying financial statements present fairly in all material respects, the financial position of the Cemetery Care and Maintenance Trust Fund of The Corporation of the Town of Marathon as at December 31, 2022, and its results of operations, 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 Trust Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the 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.

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

Those charged with governance are responsible for overseeing the Trust Fund'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 Trust Fund'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 Trust Fund'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 Trust Fund 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.

Grant Thornton LLP

Thunder Bay, Canada
June 12, 2023

Chartered Professional Accountants
Licensed Public Accountants

**The Corporation of the Town of Marathon
Cemetery Care and Maintenance Trust Fund
Statement of Financial Position**

As at December 31	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash	72,607	68,414
Due from The Corporation of the Town of Marathon	2,613	2,826
	75,220	71,240
Net financial assets and accumulated surplus	75,220	71,240

See accompanying notes to the financial statements.

On behalf of the Board:

Director

Director

**The Corporation of the Town of Marathon
Cemetery Care and Maintenance Trust Fund
Statement of Operations and Accumulated Surplus**

Year ended December 31	2022	2021
	\$	\$
REVENUES		
Interest earned	1,367	374
Sale of plots	2,510	2,460
Monument markers	-	700
Care and maintenance contributions	3,980	2,500
Stake and locate	-	208
Total revenues	7,857	6,242
EXPENSES		
Cemetery maintenance	3,877	3,042
Annual surplus	3,980	3,200
Accumulated surplus, beginning of year	71,240	68,040
Accumulated surplus, end of year	75,220	71,240

See accompanying notes to the financial statements.

**The Corporation of the Town of Marathon
Cemetery Care and Maintenance Trust Fund
Statement of Change in Net Financial Assets**

Year ended December 31	2022	2021
	\$	\$
Annual surplus	3,980	3,200
Net financial assets, beginning of year	71,240	68,040
Net financial assets, end of year	75,220	71,240

See accompanying notes to the financial statements.

**The Corporation of the Town of Marathon
Cemetery Care and Maintenance Trust Fund
Statement of Cash Flows**

Year ended December 31	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Annual surplus	3,980	3,200
Net change in non-cash working capital balances		
Decrease (increase) in due from The Corporation of the Town of Marathon	213	(1,408)
Cash provided by operating activities	4,193	1,792
Increase in cash during year	4,193	1,792
Cash position, beginning of year	68,414	66,622
Cash position, end of year	72,607	68,414

See accompanying notes to the financial statements.

The Corporation of the Town of Marathon Cemetery Care and Maintenance Trust Fund Notes to the Financial Statements

December 31, 2022

1. NATURE OF BUSINESS

The Corporation of the Town of Marathon ("the Town") administers a perpetual care trust fund for the future care of the cemetery. The care and maintenance fund administered by the Town is funded by the sale of cemetery interment rights and markers. These funds are invested and earnings derived therefrom can be used to perform maintenance at the Town's cemeteries. The operations and investments of the fund are undertaken by the Town in accordance with the regulations of the Funeral, Burial and Cremation Services Act, 2002.

MANAGEMENT RESPONSIBILITY

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

Capital receipts, interest earned and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable, and expenses as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Reporting entity

The financial statements reflect the assets, liabilities, revenue and expenses of the Town's trust funds. The Town's assets, liabilities, revenue and expenses are reported separately in the Town's consolidated financial statements.

**The Corporation of the Town of Marathon
Cemetery Care and Maintenance Trust Fund
Notes to the Financial Statements**

December 31, 2022

Cash and equivalents

Cash and cash equivalents include cash on hand and balances held with the Public Guardian and Trustee.

Revenue recognition

Capital receipts are recognized when received.