



# Consolidated Financial Statements

The Corporation of the Town of Marathon

December 31, 2023

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# Independent Auditor's Report

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**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](http://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, 2023, and the consolidated statements of operations and accumulated operating surplus, remeasurement gains and losses, 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, 2023, 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.

**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  
September 9, 2024

Chartered Professional Accountants  
Licensed Public Accountants

# The Corporation of the Town of Marathon

## Consolidated Statement of Financial Position

As at December 31	2023	2022
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents <i>[note 4]</i>	1,883,442	3,581,400
Investments <i>[note 5]</i>	7,628,112	8,120,783
Taxes receivable <i>[note 6]</i>	535,706	479,304
User charges receivable	96,974	46,869
Accounts receivable	1,446,124	695,198
<b>Total financial assets</b>	<b>11,590,358</b>	<b>12,923,554</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	4,545,680	1,975,980
Deferred revenue <i>[note 8]</i>	1,529,772	1,305,194
Debt <i>[note 9]</i>	11,255,991	7,861,831
Asset retirement obligations <i>[note 10]</i>	732,531	705,714
<b>Total liabilities</b>	<b>18,063,974</b>	<b>11,848,719</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>(6,473,616)</b>	<b>1,074,835</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net <i>[schedule 2]</i>	52,393,282	45,269,746
Prepaid expenses	23,600	21,050
	<b>52,416,882</b>	<b>45,290,796</b>
<b>ACCUMULATED SURPLUS</b>		
Accumulated operating surplus <i>[Schedule 1]</i>	45,670,114	46,365,631
Accumulated re-measurement gains	273,152	-
<b>Accumulated surplus</b>	<b>45,943,266</b>	<b>46,365,631</b>

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 Operating Surplus

Year ended December 31	2023	2023	2022
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 14]</i>		
<b>REVENUES [schedule 3]</b>			
Taxation	5,486,789	5,570,903	5,397,501
<b>User charges</b>			
Water and sewer	1,320,662	1,324,348	1,278,049
Other fees and service charges	1,701,064	1,601,783	1,766,773
	<b>3,021,726</b>	<b>2,926,131</b>	<b>3,044,822</b>
<b>Government transfers</b>			
Government of Canada	436,253	438,017	157,686
Province of Ontario	2,582,953	2,665,156	2,797,262
	<b>3,019,206</b>	<b>3,103,173</b>	<b>2,954,948</b>
<b>Other</b>			
Investment income	245,242	430,513	225,245
Penalties and interest on taxes	99,357	97,820	99,357
Gain (loss) on disposal of tangible capital assets	242,177	(31,677)	120,934
Sundry	616,744	486,097	420,279
Rental	702,516	691,449	674,610
	<b>1,906,036</b>	<b>1,674,202</b>	<b>1,540,425</b>
<b>Total revenues</b>	<b>13,433,757</b>	<b>13,274,409</b>	<b>12,937,696</b>
<b>EXPENSES [schedule 3]</b>			
General government	2,298,954	2,175,423	1,965,498
Protection to persons and property	1,553,911	1,610,327	1,523,843
Transportation services	2,758,491	2,767,744	2,682,970
Environmental services	2,524,186	2,554,670	2,240,108
Health services	303,924	306,072	285,410
Social and family services	1,316,359	1,218,935	1,401,469
Recreation and cultural services	2,972,128	3,071,202	2,593,119
Planning and development	382,846	265,553	330,499
	<b>14,110,799</b>	<b>13,969,926</b>	<b>13,022,916</b>
<b>Annual operating deficit</b>	<b>(677,042)</b>	<b>(695,517)</b>	<b>(85,220)</b>
Accumulated surplus, beginning of year, as previously stated	46,138,890	46,138,890	45,957,932
Change in accounting policy <i>[note 1]</i>	226,741	226,741	492,919
Accumulated operating surplus, beginning of year, as restated	<b>46,365,631</b>	<b>46,365,631</b>	<b>46,450,851</b>
<b>Accumulated operating surplus, end of year</b>	<b>45,688,589</b>	<b>45,670,114</b>	<b>46,365,631</b>

See accompanying notes to the consolidated financial statements.

## The Corporation of the Town of Marathon Consolidated Statement of Remeasurement Gains and Losses

Year ended December 31	2023	2022
	\$	\$
<b>Accumulated remeasurement gains, beginning of year</b>	-	-
Change in accounting policy <i>[note 1]</i>	554,056	-
Unrealized gains (losses) attributable to:		
Derivatives	(280,904)	-
<b>Net remeasurement gains (losses) for the year</b>	<b>273,152</b>	-
<b>Accumulated remeasurement gains, end of year</b>	<b>273,152</b>	-

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	2023	2023	2022
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 14]</i>		
<b>Annual operating deficit</b>	<b>(677,042)</b>	<b>(695,517)</b>	(85,220)
Acquisition of tangible capital assets	<b>11,089,478)</b>	<b>(9,143,809)</b>	(1,468,862)
Amortization of tangible capital assets	<b>1,978,109</b>	<b>1,978,109</b>	1,983,529
Proceeds on disposal of tangible capital assets	-	<b>10,487</b>	15,000
Loss (gain) on disposal of tangible capital assets	-	<b>31,677</b>	(15,000)
Acquisition of prepaid expenses	-	<b>(23,600)</b>	(21,050)
Use of prepaid expenses	-	<b>21,050</b>	21,072
Remeasurement losses	-	<b>(280,904)</b>	-
Change in accounting policy	-	<b>554,056</b>	-
Increase (decrease) in net financial assets	<b>(9,788,411)</b>	<b>(7,548,451)</b>	429,469
<b>Net financial assets, beginning of year</b>			
As previously stated	<b>1,000,218</b>	<b>1,000,218</b>	305,308
Change in accounting policy <i>[note 1]</i>	<b>74,617</b>	<b>74,617</b>	340,058
As restated	<b>1,074,835</b>	<b>1,074,835</b>	645,366
<b>Net financial assets (debt), end of year</b>	<b>(8,713,576)</b>	<b>(6,473,616)</b>	1,074,835

See accompanying notes to the consolidated financial statements.



# The Corporation of the Town of Marathon

## Consolidated Statement of Cash Flows

Year ended December 31	2023	2022
	\$	\$
<b>OPERATIONS</b>		
Annual operating deficit	(695,517)	(85,220)
<b>Non-cash charges</b>		
Amortization of tangible capital assets	1,978,109	1,983,529
Loss (gain) on disposal of tangible capital assets	31,677	(15,000)
Increase (decrease) in asset retirement obligations	-	(50,000)
Accretion of asset retirement obligations	26,817	25,836
	<b>1,341,086</b>	<b>1,859,145</b>
<b>Net change in non-cash working capital balances</b>		
Increase in taxes receivable	(56,402)	(123,884)
Increase in user charges receivable	(50,105)	(4,702)
Increase in accounts receivable	(750,926)	(271,613)
Increase in accounts payable and accrued liabilities	2,569,702	826,912
Increase (decrease) in deferred revenue	224,578	(70,872)
Decrease (increase) in prepaid expenses	(2,550)	22
<b>Cash provided by operating transactions</b>	<b>3,275,383</b>	<b>2,215,008</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(9,143,809)	(1,468,862)
Proceeds on disposal of tangible capital assets	10,506	15,000
<b>Cash used in capital transactions</b>	<b>(9,133,303)</b>	<b>(1,453,862)</b>
<b>INVESTING</b>		
Decrease (increase) in investments	492,671	(854,316)
<b>Cash provided by (used in) investing transactions</b>	<b>492,671</b>	<b>(854,316)</b>
<b>FINANCING</b>		
Repayment of long-term debt	(294,259)	(284,903)
Proceeds from long-term debt	3,961,550	-
<b>Cash provided by (used in) financing transactions</b>	<b>3,667,291</b>	<b>(284,903)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(1,697,958)</b>	<b>(378,073)</b>
Opening cash and cash equivalents	3,581,400	3,959,473
<b>Closing cash and cash equivalents</b>	<b>1,883,442</b>	<b>3,581,400</b>

See accompanying notes to the consolidated financial statements.

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# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

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### **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 consolidated 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 consolidated 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 consolidated financial statements.

## **1. ADOPTION OF NEW STANDARDS**

### **Asset retirement obligations**

Effective January 1, 2023, the Town adopted new Public Sector Accounting Standard Section PS 3280 Asset Retirement Obligations (ARO) which recognizes legal obligations associated with the retirement of tangible capital assets. As this standard includes solid waste landfill sites active and post-closing obligations, upon adoption of this new standard, Section PS 3270 Solid Waste Landfill Closure and Post-Closure Liability was withdrawn. The consolidated financial statements of the comparative year have been retroactively restated to reflect this change in the accounting policy.

# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

As a result of the adoption of this new accounting policy, the following changes have been made to the following 2022 financial statement items:

	As previously Reported \$	Increase (decrease) \$	As restated \$
<b>Consolidated Statement of Financial Position</b>			
Landfill closure and post-closure liability	780,331	(780,331)	-
Asset retirement obligations	-	705,714	705,714
Tangible capital assets - net	45,117,622	152,124	45,269,746
Accumulated operating surplus	46,138,890	226,741	46,365,631
<b>Consolidated Statement of Operations and Accumulated Operating Surplus</b>			
Environmental services	1,973,931	266,177	2,240,108
Annual operating deficit	180,958	(266,178)	(85,220)
<b>Consolidated Statement of Change in Net Financial Assets</b>			
Annual operating deficit	180,958	(266,178)	(85,220)
Amortization of tangible capital assets	1,982,792	737	1,983,529
Net debt, beginning of year	305,308	340,058	645,366

### Financial instruments / Foreign currency translation / Financial statement presentation

Effective January 1, 2023, the Town adopted new Public Sector Accounting Standards Sections PS 3450 Financial Instruments, PS 3041 Portfolio Investments, PS 2601 Foreign Currency Translation and Section 1201 Financial Statement Presentation along with the related amendments. New Section PS 3450 requires the fair value measurement of derivatives and portfolio investments in equities quoted in an active market. All other financial assets and liabilities are measured at cost or amortized cost (using the effective interest method), or, by policy choice, at fair value when the entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, financial liabilities or both on a fair value basis.

The measurement requirements were applied prospectively. The recognition, derecognition, and measurement policies followed in the comparative period were not reversed and the comparative figures have not been restated. The entity elected to account for embedded derivatives required to be reported in accordance with the Section on a prospective basis.

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# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

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### 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

##### 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.

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# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

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### [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.

#### 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.

#### 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

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# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

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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 does not have 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.

[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.

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# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

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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.

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.

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# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

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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.

### **Financial instruments**

All financial instruments are recorded at their cost or amortized cost except for portfolio investments in equity instruments quoted in an active market and derivatives which are recorded at their fair value with unrealized remeasurement gains and losses recorded in the statement of remeasurement gains and losses. Once realized, remeasurement gains and losses are transferred to the statement of operations. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the statement of operations.

Transaction costs related to financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument. Transaction costs related to financial instruments recorded at their fair values are expensed as incurred.

Financial liabilities (or part of a financial liability) are removed from the statement of financial position when, and only when, they are discharged or cancelled or expire.



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# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

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### Asset retirement obligations

A liability for an asset retirement obligation is recognized when all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is measured at the Town's best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date. The estimate includes costs directly attributable to the asset retirement activities. The costs also include post-retirement operation, maintenance and monitoring that are an integral part of the retirement of the tangible capital asset and the costs of tangible capital assets acquired as part of asset retirement activities to the extent those assets have no alternative use.

Upon initial recognition of the liability for an asset retirement obligation, the carrying amount of the corresponding tangible capital asset (or component thereof) is increased by the same amount. The capitalized asset retirement cost is expensed in a rational and systematic manner over the useful life of the tangible capital asset (or a component thereof). For obligations for which there is no tangible capital asset recognized or for tangible capital assets that are no longer in productive use, the asset retirement costs are expensed immediately. Subsequently, the liability is reviewed at each financial statement reporting date and adjusted for (1) changes as a result of the passage of time with corresponding accretion expense and (2) adjusted for any revisions to the timing, amount of the original estimate of undiscounted cash flows, or the discount rate. Adjustments to the liability as a result of revisions to the timing, amount of the estimate of undiscounted cash flows or the discount rate are adjusted to the cost of the related tangible capital asset and the revised carrying amount of the related tangible capital asset is amortized except for adjustments related to tangible capital assets that are not recognized or no longer in productive use, which are expensed in the period they are incurred.

The asset retirement costs are amortized on a rational basis based on use. The Town only has one asset retirement obligation relating to a landfill which is amortized based on the proportion of capacity used to date.

A recovery related to asset retirement obligation is recognized when the recovery can be appropriately measured; reasonably estimated and it is expected that future economic benefits will be obtained. The recovery is not netted against the liability.

# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

### Derivative

The Town has entered into an interest rate swap agreement as an "economic hedge" to manage the volatility to interest rates relating to its MSSHC loan. The Town's policy is not to utilize derivative financial instruments for trading or speculative purposes. It is management's intention to hold the interest rate swap to maturity.

Derivatives are initially recorded at fair value and are subsequently measured at fair value.

### 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 \$80,240 [2022 - \$75,220] 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

Cash and cash equivalents consist of cash on hand and balances held in deposit with banks.

### 5. FINANCIAL INSTRUMENT CLASSIFICATION

The following table provides the carrying amount information of the Public Sector Entity's financial instruments by category. The maximum exposure to credit risk for the financial assets would be the carrying values shown below.

Financial Instrument	2023		2022	
	Amortized Cost/Cost	Fair Value	Amortized Cost/Cost	Fair Value
	\$	\$	\$	\$
Cash	1,883,442	-	3,581,400	-
Investments	7,628,112	-	8,120,783	-
User charges receivable	96,974	-	46,869	-
Accounts receivable	1,446,124	-	-	-
Accounts payable and accrued liabilities	4,545,680	-	1,975,980	-
Debt	11,529,141	(273,152)	8,328,451	-
	27,129,473	(273,152)	22,053,483	-

# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

The following table provides an analysis of financial instruments that are subsequently measured at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial Instrument	2023		
	Level 1	Level 2	Level 3
	\$	\$	\$
Derivative	-	273,152	-
Total	-	273,152	-

There were no transfers between Level 1 and Level 2 for the year ended December 31, 2023. There were also no transfers in or out of Level 3.

### 6. TAXES RECEIVABLE

	2023	2022
	\$	\$
Property and business taxes receivable	1,127,706	1,039,304
Allowance for property and business tax arrears	(592,000)	(560,000)
	535,706	479,304

# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

### 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, 2023. The results of this valuation disclosed total actuarial liabilities of \$136,185 million with respect to benefits accrued for services with actuarial assets at that date of \$131,983 million indicating an actuarial deficit of \$4,202 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 2023 was \$287,030 [2022 - \$257,332] for current service.

### 8. DEFERRED REVENUE

	2023	2022
	\$	\$
Unearned Gas Tax proceeds	880,131	624,790
Province of Ontario	110,002	380,404
Ontario Community Infrastructure Fund	474,357	146,463
Other	65,282	153,537
	<b>1,529,772</b>	1,305,194

The continuity of deferred revenue is as follows:

	2023	2022
	\$	\$
<b>Balance, beginning of year</b>	<b>1,305,194</b>	1,376,066
Gas Tax grant funding proceeds received	255,340	216,493
Conditional grant and other revenue received	333,252	417,586
Conditional grant and other revenue utilized	(364,014)	(704,951)
<b>Balance, end of year</b>	<b>1,529,772</b>	1,305,194

# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

### 9. DEBT

[a] The Town has available a line of credit of \$1,500,000 [2022 - \$1,500,000] for which the Town has provided a general security agreement of which \$nil [2022 - \$nil] was borrowed at year-end. Interest on the line of credit is calculated at bank prime less 0.75%.

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

	2023 \$	2022 \$
<b>TD Canada Trust</b>		
MSSHC loan repayable in monthly payments of \$33,272 including interest at 3.587% maturing September 30, 2028.	6,529,976	6,691,847
<b>Ontario Infrastructure and Lands Corporation</b>		
Debenture loan repayable in semi-annual payments of \$82,161 including interest at 2.81% maturing October 2030.	1,037,616	1,169,984
Advances for the construction of the Works Garage. Interest is paid each month. Upon completion of the construction, a debenture will be issued to the Town for the total advances and commence repayment.	3,961,551	-
	<b>11,529,143</b>	7,861,831
Less fair value adjustment of derivatives	<b>273,152</b>	-
	<b>11,255,991</b>	7,861,831

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

	\$
2024	303,889
2025	313,859
2026	324,160
2027	334,805
2028	345,806
Thereafter	9,906,624
	<b>11,529,143</b>

# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

[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 \$292,900 [2022 - \$277,784]

[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.

### 10. ASSET RETIREMENT OBLIGATIONS

The Town has recognized an asset retirement obligation related to the future costs associated with site inspection, site maintenance and water quality monitoring related to the Town's landfills.

A reconciliation of the aggregate carrying amount of the liability is as follows:

	<b>2023</b>	2022
	\$	\$
Opening balance	<b>705,714</b>	679,878
Accretion expense	<b>26,817</b>	25,836
Closing balance	<b>732,531</b>	705,714

The liability is estimated using a present value technique that discounts the expected future expenditures. The discount rate used was based on the borrowing rate for liabilities with similar risks and maturity of 3.80% [2022 - 3.80%].

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, 2023, the remaining capacity of the site is estimated at 570,514 tonnes representing 67.56% of the total capacity. The open site is expected to close when it reaches its capacity in 2141.

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# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

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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 2035.

### 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 2023 [2022 - \$nil].

Interest capitalized during 2023 was \$nil [2022 - \$nil].

There were no contributed tangible capital assets in 2023 [2022 - \$nil].

There were no assets recorded at a nominal value in 2023 [2022 - \$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.

#### **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.

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# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

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### **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 and ambulance. 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), the local food bank and Marathon Seniors Supportive Housing Corporation. 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, 2023

### 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:

	2023 \$	2022 \$
<b>RESERVES</b>		
Balance, beginning of year	3,984,520	4,213,614
<b>Increases</b>		
Contributions to reserves	2,000	14,429
<b>Decreases</b>		
Contribution to operations	1,143,888	243,523
<b>Balance of Reserves, end of year</b>	<b>2,842,632</b>	<b>3,984,520</b>
<b>RESERVE FUNDS</b>		
Balance, beginning of year	4,753,431	4,278,825
<b>Increases</b>		
Contributions to reserve funds	310,355	387,923
Interest earned	196,386	86,683
	<b>506,741</b>	<b>474,606</b>
<b>Balance of Reserve Funds, end of year</b>	<b>5,260,172</b>	<b>4,753,431</b>

Subsequent to year-end, the general fund deficit has been decreased by an amount of \$280,029 transferred from the reserve for working capital as authorized by Council resolution on September 9, 2024. Had the increase not been made, the balance of the general fund deficit would have been (\$2,848,670).

# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

### 14. 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 \$
<b>Revenues</b>			
Taxation	5,486,789	-	5,486,789
User charges	3,021,726	-	3,021,726
Government transfers	3,019,206	-	3,019,206
Other	1,663,859	-	1,663,859
	<b>13,191,580</b>	-	<b>13,191,580</b>
Sale of tangible capital assets	242,177	-	242,177
<b>Expenses</b>			
General government	2,273,693	25,261	2,298,954
Protection to persons and property	1,472,611	81,300	1,553,911
Transportation services	1,945,171	813,320	2,758,491
Environmental services	2,013,218	510,968	2,524,186
Health services	303,726	198	303,924
Social and family services	1,057,861	258,498	1,316,359
Recreation and cultural services	2,672,457	299,671	2,972,128
Planning and development	367,136	15,710	382,846
	<b>12,105,873</b>	<b>2,004,926</b>	<b>14,110,799</b>
<b>Subtotal</b>	<b>1,327,884</b>	<b>(2,004,926)</b>	<b>(677,042)*</b>
			<i>* Annual Surplus</i>
Transfer to Reserves	(200,405)	-	
Use of reserves	1,921,847	-	
Purchase of tangible capital assets	(11,089,478)	-	
Debt proceeds	8,040,152	-	
Amortization	-	1,978,109	
Accretion	-	26,817	
<b>Net deficit</b>	<b>-</b>	<b>-</b>	

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# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

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### 15. COMMITMENTS

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

	\$
2024	426,944
2025	39,945
2026	5,164
2027	3,441
	<hr/> 475,494

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

### 16. DESIGNATED ASSETS

Of the financial assets reported on the Consolidated Statement of Financial Position, the Council has designated \$5,260,172 [2022 - \$4,753,431] to support reserve funds.

### 17. FINANCIAL INSTRUMENTS & RISK MANAGEMENT

#### Risk disclosures

The Town is exposed to various risks through its financial instruments. The following analysis provides a measure of the Town's risk exposure as of December 31, 2023.

#### Credit risk

Credit risk is the risk that clients may experience financial difficulties and be unable to fulfill their obligations. The Town's exposure to credit risk arises from the possibility of property owners not paying property tax or water user fees. The Town regularly reviews its receivables and if needed, will establish an allowance, based on its best estimate, of potentially uncollectible amounts. There has been no change in credit risk from the previous year. All other amounts that are not allowed for are expected to be collected within one year.

#### Liquidity risk

Liquidity risk is the risk that the Town will not be able to meet all cash outflow obligations as they come due. The Town mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. There are no significant changes from the previous year in the exposure of risk or policies and procedures used to measure the risk. All accounts payable are expected to be paid within the next year. Debt repayments are broken down in Note 9.

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# The Corporation of the Town of Marathon

## Notes to the Consolidated Financial Statements

December 31, 2023

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### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Town operates within the constraints of Part XIII of the Ontario Municipal Act. The investment portfolio of bonds and equity is managed by the One Investment Board, monitored by management, and reported to Council annually in accordance with the Town's investment policy.

### **Interest rate risk**

Interest rate risk is the potential for financial loss caused by the fluctuations in the fair value or future cash flows of financial instruments because of changes in market interest rates. The Town is exposed to this risk through its interest-bearing investments and debt. Exposure to fluctuating interest rates with long-term debt is mitigated with an interest rate swap agreement with the lender. There have been no significant changes from the previous year in the exposure of risk or policies, procedures and methods used to measure the risk.

## **18. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year's presentation.

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

Year ended December 31	2023	2022
	\$	\$ <i>[restated note 1]</i>
<b>Surplus</b>		
General Fund*	(2,568,641)	925,479
Investments in tangible capital assets	52,393,282	45,269,746
Unfunded		
Debt	(11,529,141)	(7,861,831)
Asset retirement obligations	(728,190)	(705,714)
<b>Total surplus</b>	<b>37,567,310</b>	<b>37,627,680</b>
<b>Reserves set aside for specific purposes by Council</b>		
For acquisition of capital assets	796,738	1,110,565
For contingency	250,000	250,000
For working capital	1,795,894	2,623,955
<b>Total reserves</b>	<b>2,842,632</b>	<b>3,984,520</b>
<b>Reserve funds set aside for specific purposes by Council</b>		
For acquisition of capital assets	204,157	149,133
For water and sewer operations	5,056,015	4,604,298
<b>Total reserve funds</b>	<b>5,260,172</b>	<b>4,753,431</b>
<b>Accumulated operating surplus</b>	<b>45,670,114</b>	<b>46,365,631</b>
<b>*General Fund consists of:</b>		
Unexpended capital financing	(2,606,801)	878,742
Marathon Seniors Supportive Housing Corporation	(2,160)	(327)
Marathon Centennial Public Library Board	40,320	47,064
	<b>(2,568,641)</b>	<b>925,479</b>

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

**Schedule 2**

Year ended December 31, 2023

	General						Infrastructure			Totals	
	Land \$	Land Improvements \$	Buildings \$	Vehicles \$	Machinery and Equipment \$	Other \$	Roads and Other Structures \$	Underground and Other Networks \$	Assets Under Construction \$	2023 \$	2022 \$
<b>COST</b>											
Balance, beginning of year	3,859,119	10,937,085	24,469,955	5,656,092	3,617,899	581,894	20,810,065	17,516,925	486,616	87,935,650	86,731,570
<b>Add</b>											
Additions during the year	-	59,988	-	526,241	-	-	-	-	8,557,580	9,143,809	1,468,862
<b>Less</b>											
Disposals during the year	-	48,411	-	36,333	-	27,144	10,200	-	-	122,088	264,782
Balance, end of year	3,859,119	10,948,662	24,469,955	6,146,000	3,617,899	554,750	20,799,865	17,516,925	9,044,196	96,957,371	87,935,650
<b>ACCUMULATED AMORTIZATION</b>											
Balance, beginning of year	-	6,407,016	9,515,676	2,534,700	2,482,306	352,643	11,896,889	9,476,674	-	42,665,904	40,947,157
<b>Add</b>											
Amortization during the year	-	181,779	502,090	282,852	103,036	18,304	596,264	293,784	-	1,978,109	1,983,529
<b>Less</b>											
Accumulated amortization on disposals	-	22,178	-	22,061	-	27,144	8,541	-	-	79,924	264,782
Balance, end of year	-	6,566,617	10,017,766	2,795,491	2,585,342	343,803	12,484,612	9,770,458	-	44,564,089	42,665,904
<b>Net book value, beginning of year</b>	3,859,119	4,530,069	14,954,279	3,121,392	1,135,593	229,251	8,913,176	8,040,251	486,616	45,269,746	45,763,742
<b>Net book value, end of year</b>	3,859,119	4,382,045	14,452,189	3,350,509	1,032,557	210,947	8,315,253	7,746,467	9,044,196	52,393,282	45,269,746

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

**Schedule 3**

Year ended December 31, 2023

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>										
Taxation	5,570,903	5,397,501	-	-	-	-	-	-	-	-
Government transfers	1,672,884	1,743,906	63,140	27,596	4,454	5,711	103,964	89,161	-	-
User fees and service charges	84,638	148,078	123,783	317,034	334,307	294,989	1,665,197	1,625,321	95,507	100,645
Other revenues	288,819	357,515	2,508	5,205	-	-	-	-	-	-
Interest income - general	421,317	223,187	9,196	2,058	-	-	-	-	-	-
	<b>8,038,561</b>	<b>7,870,187</b>	<b>198,627</b>	<b>351,893</b>	<b>338,761</b>	<b>300,700</b>	<b>1,769,161</b>	<b>1,714,482</b>	<b>95,507</b>	<b>100,645</b>
<b>Expenses</b>										
Salaries, wages and employee benefits	1,094,555	948,679	344,626	408,056	1,182,231	1,046,793	482,880	499,223	12,436	13,845
Debt charges	55,508	34,696	-	-	-	-	-	-	-	-
Materials	702,272	770,151	214,443	222,137	664,783	659,547	569,208	535,084	13,591	16,367
Contracted services	255,479	139,391	969,958	811,600	102,408	177,318	1,018,431	712,953	54,321	35,184
Rent and financials	42,348	47,320	-	-	5,002	5,345	-	-	-	-
External transfers	-	-	-	-	-	-	-	-	225,526	219,816
Amortization	25,261	25,261	81,300	82,050	813,320	793,967	484,151	492,848	198	198
	<b>2,175,423</b>	<b>1,965,498</b>	<b>1,610,327</b>	<b>1,523,843</b>	<b>2,767,744</b>	<b>2,682,970</b>	<b>2,554,670</b>	<b>2,240,108</b>	<b>306,072</b>	<b>285,410</b>
<b>Annual surplus (deficit)</b>	<b>5,863,138</b>	<b>5,904,689</b>	<b>(1,411,700)</b>	<b>(1,171,950)</b>	<b>(2,428,983)</b>	<b>(2,382,270)</b>	<b>(785,509)</b>	<b>(525,626)</b>	<b>(210,565)</b>	<b>(184,765)</b>

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

**Schedule 3 (continued)**

Year ended December 31, 2023

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>								
Taxation	-	-	-	-	-	-	<b>5,570,903</b>	5,397,501
Government transfers	-	-	<b>50,988</b>	79,381	<b>1,207,743</b>	1,009,193	<b>3,103,173</b>	2,954,948
User fees and service charges	-	-	<b>622,699</b>	558,755	-	-	<b>2,926,131</b>	3,044,822
Other revenues	<b>810,811</b>	773,201	-	-	<b>141,551</b>	179,259	<b>1,243,689</b>	1,315,180
Interest income - general	-	-	-	-	-	-	<b>430,513</b>	225,245
	<b>810,811</b>	773,201	<b>673,687</b>	638,136	<b>1,349,294</b>	1,188,452	<b>13,274,409</b>	12,937,696
<b>Expenses</b>								
Salaries, wages and employee benefits	-	-	<b>1,420,604</b>	1,278,330	<b>97,913</b>	96,237	<b>4,635,245</b>	4,291,163
Debt charges	<b>237,392</b>	243,088	-	-	-	-	<b>292,900</b>	277,784
Materials	<b>260,906</b>	254,770	<b>1,203,449</b>	825,975	<b>151,930</b>	218,552	<b>3,780,582</b>	3,502,583
Contracted services	<b>261,232</b>	217,609	<b>147,252</b>	173,684	-	-	<b>2,809,081</b>	2,267,739
Rent and financials	<b>433</b>	429	<b>226</b>	133	-	-	<b>48,009</b>	53,227
External transfers	<b>200,474</b>	427,075	-	-	-	-	<b>426,000</b>	646,891
Amortization	<b>258,498</b>	258,498	<b>299,671</b>	314,997	<b>15,710</b>	15,710	<b>1,978,109</b>	1,983,529
	<b>1,218,935</b>	1,401,469	<b>3,071,202</b>	2,593,119	<b>265,553</b>	330,499	<b>13,969,926</b>	13,022,916
<b>Annual surplus (deficit)</b>	<b>(408,124)</b>	(628,268)	<b>(2,397,515)</b>	(1,954,983)	<b>1,083,741</b>	857,953	<b>(695,517)</b>	(85,220)