

Consolidated Financial Statements of

**CORPORATION OF THE
MUNICIPALITY OF
MISSISSIPPI MILLS**

Year ended December 31, 2023

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Consolidated Financial Statements

Year ended December 31, 2023

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the Municipality of Mississippi Mills (the "Municipality") are the responsibility of the Municipality's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of significant accounting policies are described in note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal controls 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 consolidated financial statements. These systems are monitored and evaluated by management.

Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to Council approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

Ken Kelly, CPA
Chief Administrative Officer

Kathy Davis, CPA, CGA, CHRI
Director of Corporate Services,
Treasurer



KPMG LLP

22 Wilson Street, West
Perth, ON K7H 2M9
Canada
Telephone 613 267 6580
Fax 613 267 7563

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Municipality of Mississippi Mills

Opinion

We have audited the consolidated financial statements of the Corporation of the Municipality of Mississippi Mills (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and accumulated municipal equity for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes and schedule to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, 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 auditor’s report.

We are independent of the Entity 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.



Emphasis of Matter - Comparative Information

We draw attention to Note 17 to the financial statements (“Note 17”) which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 17 explains the reasons for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter - Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

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

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

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

Those charged with governance are responsible for overseeing the Entity’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 the financial statements.



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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 Entity'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 Entity'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 Entity 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.
- 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.



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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Perth, Canada

December 4, 2024

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Consolidated Statement of Financial Position

December 31, 2023, with comparative information for 2022

| | 2023 | 2022 |
|---|----------------------|---------------|
| | (restated - note 17) | |
| Financial assets: | | |
| Cash | \$ 24,661,818 | \$ 27,940,391 |
| Taxes receivable | 2,284,076 | 2,054,693 |
| Accounts and grants receivable | 2,294,729 | 2,859,299 |
| Land held for resale | 18,682 | 18,682 |
| Long-term receivables | 1,538 | 2,989 |
| Investment in Ottawa River Power Corporation (note 5(a)) | 2,528,980 | 2,518,720 |
| Investment in Ottawa River Energy Solutions Inc. (note 5(b)) | 341,085 | 315,812 |
| Investment in Mississippi River Power Corporation (note 5(c)) | 5,119,238 | 4,866,174 |
| | 37,250,146 | 40,576,760 |
| Financial liabilities: | | |
| Accounts payable and accrued liabilities | 3,106,619 | 2,755,737 |
| Prepaid property taxes | 1,635,348 | 1,531,660 |
| Asset retirement obligations (note 8) | 2,151,279 | 2,099,233 |
| Security deposits | 774,783 | 825,264 |
| Deferred revenue | 506,593 | 363,674 |
| Obligatory reserve funds (note 4) | 7,054,165 | 7,184,222 |
| Long-term liabilities (note 6) | 19,106,771 | 21,776,515 |
| | 34,335,558 | 36,536,305 |
| Net financial assets | 2,914,588 | 4,040,455 |
| Non-financial assets: | | |
| Tangible capital assets (note 13) | 91,550,645 | 86,863,634 |
| Inventory | 161,243 | 113,363 |
| Prepaid expenses | 25,619 | 58,013 |
| | 91,737,507 | 87,035,010 |
| Commitments (note 11) | | |
| Contingent liabilities (note 12) | | |
| Accumulated municipal equity (note 7) | \$ 94,652,095 | \$ 91,075,465 |

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

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Consolidated Statement of Operations and Accumulated Municipal Equity

Year ended December 31, 2023, with comparative information for 2022

| | Budget 2023 (note 16) | 2023 | 2022 (restated - note 17) |
|---|-----------------------------|----------------------|------------------------------|
| Revenue: | | | |
| Taxation | \$ 13,444,213 | \$ 13,392,592 | \$ 12,741,590 |
| Taxation - garbage collection charge | 1,675,800 | 1,692,054 | 1,627,416 |
| User charges - sewer and water | 7,078,875 | 6,576,591 | 6,433,836 |
| Government transfers | 3,516,956 | 3,160,452 | 4,065,555 |
| Other municipal government transfers | 1,337,198 | 1,929,462 | 1,238,650 |
| Licenses and permits | 629,998 | 416,699 | 612,415 |
| Development charges | 652,515 | 537,751 | 535,807 |
| Investment income | 588,064 | 1,160,127 | 468,806 |
| Penalties and interest on taxes | 215,312 | 307,385 | 202,048 |
| Other income | 1,130,171 | 620,765 | 322,671 |
| Contributed tangible capital assets | — | 244,210 | — |
| Gain on disposal of tangible capital assets | — | — | 1,502,859 |
| Loss on write-down of tangible capital assets | — | (107,426) | — |
| Net equity increase in investment in: | | | |
| Ottawa River Power Corporation | — | 49,744 | 98,710 |
| Ottawa River Energy Solutions Inc. | — | 25,273 | 14,432 |
| Mississippi River Power Corporation | — | 478,064 | 281,895 |
| Total revenue | 30,269,102 | 30,483,743 | 30,146,690 |
| Expenses (note 14): | | | |
| General government | 3,028,677 | 3,036,797 | 2,753,088 |
| Protection to persons and property | 4,274,786 | 4,251,042 | 4,054,343 |
| Transportation services | 6,239,610 | 5,691,514 | 5,224,832 |
| Environmental services | 6,564,914 | 5,998,474 | 6,393,235 |
| Social and family services | 3,271,439 | 3,174,238 | 2,811,712 |
| Recreation and culture services | 3,228,716 | 3,221,671 | 2,834,256 |
| Planning and development | 1,176,459 | 1,533,377 | 804,743 |
| Total expenses | 27,784,601 | 26,907,113 | 24,876,209 |
| Annual surplus | 2,484,501 | 3,576,630 | 5,270,481 |
| Accumulated municipal equity, beginning of year as previously stated | 91,075,465 | 91,075,465 | 86,638,301 |
| Adjustment on adoption of asset retirement obligation standard (note 17) | — | — | (833,317) |
| Accumulated municipal equity, beginning of year, as restated | 91,075,465 | 91,075,465 | 85,804,984 |
| Accumulated municipal equity, end of year | \$ 93,559,966 | \$ 94,652,095 | \$ 91,075,465 |

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

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

| | Budget 2023 (note 16) | 2023 | 2022 (restated - note 17) |
|--|-----------------------------|--------------|------------------------------|
| Annual surplus | \$ 2,484,501 | \$ 3,576,630 | \$ 5,270,481 |
| Amortization of tangible capital assets | 4,012,871 | 4,024,532 | 3,690,293 |
| Acquisition of tangible capital assets | (7,803,606) | (8,818,969) | (6,003,457) |
| Gain on disposal of tangible capital assets | - | - | (1,502,859) |
| Proceeds on disposal of tangible capital assets | - | - | 1,502,859 |
| Loss on write-down of tangible capital assets | - | 107,426 | - |
| Acquisition of inventory | - | (47,880) | (7,861) |
| Acquisition of prepaid expenses | - | 32,394 | (3,256) |
| Change in net financial assets | (1,306,234) | (1,125,867) | 2,946,200 |
| Net financial assets, beginning of year, as previously stated | 4,040,455 | 4,040,455 | 2,281,677 |
| Adjustment on adoption of asset retirement obligation standards (note 17) | - | - | (1,187,422) |
| Net financial assets, beginning of year, restated | 4,040,455 | 4,040,455 | 1,094,255 |
| Net financial assets, end of year | \$ 2,734,221 | \$ 2,914,588 | \$ 4,040,455 |

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

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Consolidated Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

| | 2023 | 2022 |
|---|---------------|----------------------|
| | | (restated - note 17) |
| Operating activities: | | |
| Annual surplus | \$ 3,576,630 | \$ 5,270,481 |
| Item not involving cash: | | |
| Amortization of tangible capital assets | 4,024,532 | 3,690,293 |
| Asset retirement obligations | 52,046 | 50,632 |
| Gain on disposal of tangible capital assets | – | (1,502,859) |
| Loss on write-down of tangible capital assets | 107,426 | – |
| Change in non-cash operating working capital: | | |
| Taxes receivable | (229,383) | (491,477) |
| Accounts and grants receivable | 564,570 | (973,827) |
| Accounts payable and accrued liabilities | 350,882 | 408,626 |
| Prepaid property taxes | 103,688 | 31,822 |
| Deferred revenue | 142,919 | 227,006 |
| Security deposits | (50,481) | (16,914) |
| Obligatory reserve funds | (130,057) | 1,797,189 |
| Inventory | (47,880) | (7,861) |
| Prepaid expenses | 32,394 | (3,256) |
| Long-term receivables | 1,451 | 1,369 |
| Net change in cash from operations | 8,498,737 | 8,481,224 |
| Capital activities: | | |
| Acquisition of tangible capital assets | (8,818,969) | (6,003,457) |
| Proceeds of disposal of tangible capital assets | – | 1,502,859 |
| | (8,818,969) | (4,500,598) |
| Investing activities: | | |
| Increase in investment in Ottawa River Power Corporation | (10,260) | (72,094) |
| Decrease (increase) in investment in Ottawa River Energy Solutions Inc. | (25,273) | 26,457 |
| Increase in investment in Mississippi River Power Corporation | (253,064) | (281,895) |
| | (288,597) | (327,532) |
| Financing activities: | | |
| Principal repayments on long-term liabilities | (2,669,744) | (1,596,535) |
| (Decrease) increase in cash | (3,278,573) | 2,056,559 |
| Cash, beginning of year | 27,940,391 | 25,883,832 |
| Cash, end of year | \$ 24,661,818 | \$ 27,940,391 |

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

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

The Corporation of the Municipality of Mississippi Mills (the "Municipality") was incorporated January 1, 1998 (being an amalgamation of the former Town of Almonte and townships of Ramsay and Pakenham) and assumed its responsibilities under the authority of the Minister of Municipal Affairs and the Municipal Act. The Municipality operates as a lower tier government in the County of Lanark, in the Province of Ontario, Canada and provides municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations.

1. Significant accounting policies:

The consolidated financial statements of the Municipality are the representations of management and have been prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Basis of consolidation:

(i) Consolidated entities:

The consolidated financial statements reflect financial assets, liabilities, operating revenue and expenses, reserves, reserve funds and changes in investment in tangible capital assets of the Municipality. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and which are owned or controlled by the Municipality. Interdepartmental and interorganizational transactions and balances between these organizations are eliminated. These consolidated financial statements include:

Public Library Board

The Ottawa River Power Corporation, Mississippi River Power Corporation and the Ottawa River Energy Solutions Inc. are accounted for on a modified equity basis, consistent with Canadian generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprises accounting principles are not adjusted to conform with those of the Municipality and inter-organizational transactions and balances are not eliminated.

(ii) Accounting for School Board transactions:

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

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(b) Basis of accounting:

- (i) The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.
- (ii) 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.

(c) Taxation and related revenues:

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established by Municipality Council, incorporating amounts to be raised for local services, amounts to be raised on behalf of County of Lanark for regional services, and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. Taxation revenues are recorded at the time tax billings are issued. Adjustments to taxation revenue can occur during the year related to the issuance of supplementary tax billings and/or assessment appeals. These adjustments are recorded when the amount of the adjustments can be quantified. The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period in which the interest and penalties are applied.

(d) Financial instruments:

On January 1, 2023, the Municipality adopted PS 3450 Financial Instruments which establishes accounting and reporting for all types of financial instruments, including derivatives as disclosed in Note 15. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost.

Management has not elected to record any investments at fair value as they are not managed and evaluated on a fair value basis.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(d) Financial instruments (continued):

On application of this standard, unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses which records the remeasurement gains and losses for financial instruments measured at fair value. Unrealized gains and losses are realized upon settlement of the financial instrument when the financial instrument is sold or reaches maturity through the Statement of Operations and Accumulated Municipal Equity. 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 and Accumulated Municipal Equity.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the Statement of Remeasurement Gains and Losses.

Long-term debt is recorded at amortized cost.

Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(d) Financial instruments (continued):

Fair value hierarchy:

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

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

(e) Foreign currency

Foreign currency transactions are recorded at the exchange rate at the time of the transaction.

Assets and liabilities denominated in foreign currencies are recorded at fair value using the exchange rate at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the Statement of Remeasurement Gains and Losses. In the period of settlement, the realized foreign exchange gains and losses are recognized in the Statement of Operations and Accumulated Municipal Equity and the unrealized balances are reversed from the Statement of Remeasurement Gains and Losses.

(f) Statement of Remeasurement Gains and Losses:

A Statement of Remeasurement Gains and Losses has not been provided as there are no significant unrealized gains or losses at December 31, 2023 or 2022.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(g) Tangible capital assets:

Tangible capital assets are recorded at historical cost or where historical cost records were not available, other methods determined to provide a best estimate of historical cost and accumulated amortization of the assets. In certain cases, the Municipality used replacement costs and appropriate indices to deflate the replacement cost to an estimated historical cost at the year of acquisition. Costs include 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:

| Asset | Useful Life - Years |
|---|---------------------|
| Landfill sites | 5 |
| Buildings | 10 to 40 |
| Vehicles | 5 to 20 |
| Equipment | 10 to 20 |
| Water and Sewer | |
| Linear Assets | 50 to 80 |
| Water tower, wells, lagoons, pumping stations | 15 to 40 |
| Linear Assets | |
| Roads | 12 to 40 |
| Sidewalks and curbs | 50 |
| Bridges and culverts | 50 to 80 |

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 other asset as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the Consolidated Statement of Operations and Accumulated Municipal Equity in the year of disposal. 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.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(g) Tangible capital assets (continued):

When conditions indicate that a tangible capital asset no longer contributes to the Municipality's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the Consolidated Statement of Operations and Accumulated Municipal Equity.

(h) 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. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(i) Inventory:

Inventory held for consumption is recorded at the lower of cost or replacement cost.

(j) Pension and employee benefits:

The Municipality accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

Employee benefits include vacation entitlement and sick leave benefits. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits are accrued in accordance with the Municipality's policy.

(k) Government transfers:

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(l) Deferred revenue:

The Municipality defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. Government transfers of gas taxes, development charges collected under the Development Charges Act, 1997, and recreational land collected under the Planning Act are reported as deferred revenues in the Consolidated Statement of Financial Position. These amounts will be recognized as revenue in the fiscal year the services are performed.

The Municipality receives restricted contributions under the authority of Federal and Provincial legislation and Municipality by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

(m) Asset retirement obligations:

An asset retirement obligation ("ARO") is recognized when, as at the financial reporting date, 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 for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. The liability is discounted using a present value calculation and adjusted annually for accretion expense. Under the modified retroactive method, the discount rate and assumptions used on the initial recognition are those as of the date of adoption in the standard. Assumptions used in subsequent calculations are revised annually.

The liability for the removal of asbestos in several of the buildings owned by the Municipality has been recognized based on estimated undiscounted future expenses. Under the modified retroactive method, the assumptions used on initial recognition are those as of the date of adoption in the standard. Assumptions used in the subsequent calculations are revised yearly.

Actual remediation costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual remediation costs incurred and the associated liabilities are recognized in the Consolidated Statement of Operations and Accumulated Surplus and Municipal Equity at the time of remediation.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(m) Asset retirement obligations (continued):

The recognition of the ARO liability resulted in an accompanying increase to the respective tangible capital assets. Building tangible capital assets affected by the asbestos liability are being amortized with the building following the amortization accounting policies outlined in Note 1(g).

(n) Liability for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- (a) an environmental standard exists;
- (b) contamination exceeds the environmental standard;
- (c) the Municipality:
 - (i) is directly responsible; or
 - (ii) accepts responsibility
- (d) it is expected that future economic benefit will be given up; and
- (e) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(o) Use of estimates:

The preparation of consolidated financial statements 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 consolidated financial statements and the reported amounts of revenue and expenses during the period. Amounts subject to estimates include asset retirement obligations and the carrying value of tangible capital assets. Actual results could differ from these estimates.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

2. Operations of County of Lanark and school boards:

During the year, the Municipality collected and made property tax transfers including payments in lieu of property taxes, to the County of Lanark and School Boards as follows:

| | School Boards | | County of Lanark | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Property taxes | \$ 4,130,862 | \$ 4,006,861 | \$ 9,100,736 | \$ 8,694,283 |
| Taxation from other governments | – | 2,032 | 68,908 | 70,324 |
| Amounts requisitioned and paid | \$ 4,130,862 | \$ 4,008,893 | \$ 9,169,644 | \$ 8,764,607 |

3. Bank indebtedness:

The Municipality's financial agreement with its bank provides for an operating credit facility of up to \$1,000,000 to finance expenses, pending receipt of property taxes and other income. Interest on funds drawn is charged at the lender's prime rate. As at December 31, 2023, there was \$Nil (2022 - \$Nil) drawn on the facility.

4. Obligatory reserve funds:

A requirement of public sector accounting standards of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as a liability on the Consolidated Statement of Financial Position. This requirement is in place as Provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The transactions for the year are summarized below:

| | Development charges | Parkland | Canada Community Building Fund | | Total |
|-------------------------------|---------------------|-----------------|--------------------------------|-----------|---------------------|
| | | | | | |
| January 1, 2023 | \$ 6,779,487 | \$ 2,027 | \$ 402,708 | \$ | \$ 7,184,222 |
| Contributions from developers | 574,791 | – | – | | 574,791 |
| Interest income | 171,911 | – | 34,841 | | 206,752 |
| Transfer for capital projects | (246,887) | – | (373,850) | | (620,737) |
| Transfer to operating fund | (290,863) | – | – | | (290,863) |
| December 31, 2023 | \$ 6,988,439 | \$ 2,027 | \$ 63,699 | \$ | \$ 7,054,165 |

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

5. Investment in Ottawa River Power Corporation, Ottawa River Energy Solutions Inc., and Mississippi River Power Corporation (government business enterprises):

Ottawa River Power Corporation ("ORPC") (15.94%), Ottawa River Energy Solutions Inc. ("OES") (15.94%), and the Mississippi River Power Corporation ("MRPC") (100.00%) are government business enterprises in which the Municipality owns the percentage interest as noted.

The principal business of ORPC is to distribute electric power to the Municipality of Mississippi Mills Almonte Ward (and other communities) and manage the electric distribution system. Ottawa River Energy Solutions Inc. is a retailer of electricity related activities for the residents of Mississippi Mills Almonte Ward. MRPC's principal business is the generation of electric power for the benefit of the Municipality.

The following tables provide condensed supplementary financial information setting out the Municipality's proportionate share for the three entities for the year ended December 31:

(a) Ottawa River Power Corporation (15.94%)

| | 2023 | 2022 |
|---------------------------|---------------------|---------------------|
| Financial Position | | |
| Current assets | \$ 1,661,203 | \$ 1,426,600 |
| Capital assets | 2,747,519 | 2,571,975 |
| Future income taxes | 27,954 | 53,916 |
| | <u>4,436,676</u> | <u>4,052,491</u> |
| Current liabilities | 1,658,242 | 1,277,504 |
| Long-term debt | 249,454 | 256,267 |
| | <u>1,907,696</u> | <u>1,533,771</u> |
| Net assets | \$ 2,528,980 | \$ 2,518,720 |

| | 2023 | 2022 |
|------------------------------|------------------|------------------|
| Results of Operations | | |
| Revenue | \$ 1,095,003 | \$ 919,339 |
| Operating expenses | 1,045,259 | 820,629 |
| Net earnings | \$ 49,744 | \$ 98,710 |

During the year, the Municipality received dividends of \$62,126 (2022 - \$43,130) which is included as a component of other income on the Consolidated Statement of Operations and Accumulated Municipal Equity.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

5. Investment in Ottawa River Power Corporation, Ottawa River Energy Solutions Inc., and Mississippi River Power Corporation (government business enterprises) (continued):

(b) Ottawa River Energy Solutions Inc. (15.94%)

| | 2023 | 2022 |
|---------------------------|------------|------------|
| Financial Position | | |
| Current assets | \$ 172,681 | \$ 137,578 |
| Capital assets | 225,390 | 226,074 |
| | 398,071 | 363,652 |
| Current liabilities | 56,986 | 47,840 |
| Long-term debt | — | — |
| | 56,986 | 47,840 |
| Net assets | \$ 341,085 | \$ 315,812 |

| | 2023 | 2022 |
|------------------------------|------------|------------|
| Results of Operations | | |
| Revenue | \$ 202,080 | \$ 187,035 |
| Operating expenses | 176,807 | 172,603 |
| Net earnings | \$ 25,273 | \$ 14,432 |

During the year, the Municipality received dividends of \$Nil (2022 - \$Nil) which is included as a component of other income on the Consolidated Statement of Operations and Accumulated Municipal Equity.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

5. Investment in Ottawa River Power Corporation, Ottawa River Energy Solutions Inc., and Mississippi River Power Corporation (government business enterprises) (continued):

(c) Mississippi River Power Corporation (100.00%)

| | 2023 | 2022 |
|--|--------------|--------------|
| Financial Position | | |
| Current assets | \$ 3,302,911 | \$ 2,901,447 |
| Capital assets | 16,673,040 | 17,470,211 |
| | 19,975,951 | 20,371,658 |
| Current liabilities | 827,696 | 747,143 |
| Long-term debt (excluding Municipality debt) | 14,029,017 | 14,758,341 |
| | 14,856,713 | 15,505,484 |
| Net assets | \$ 5,119,238 | \$ 4,866,174 |

| | 2023 | 2022 |
|------------------------------|--------------|--------------|
| Results of Operations | | |
| Revenue | \$ 2,977,550 | \$ 2,941,450 |
| Operating expenses | 2,499,486 | 2,659,555 |
| Net earnings | \$ 478,064 | \$ 281,895 |

During the year, the Municipality received dividends of \$225,000 (2022 - \$Nil) which is included as a component of other income on the Consolidated Statement of Operations and Accumulated Municipal Equity.

During the year, \$Nil of Municipality debt was repaid (2022 - \$Nil), which is included as a reduction of the Investment in Mississippi River Power Corporation on the Consolidated Statement of Financial Position.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

6. Long-term liabilities:

- (a) The balance of long-term liabilities reported on the Consolidated Statement of Financial Position is comprised of the following:

| | 2023 | 2022 |
|---|----------------------|----------------------|
| Ontario Infrastructure Projects Corporation (4.13%), with semi annual blended payment of \$230,273, maturing 2044. | \$ 6,327,626 | \$ 6,520,837 |
| Fixed rate bank loans with maturity dates between 2023 and 2041 and interest rates between 1.09% and 3.92%. | 12,777,607 | 15,252,689 |
| Instalment debentures with the Province of Ontario under the Ontario Tile Loan Program. The responsibility for payment of principal and interest charges for tile drainage and shoreline property assistance loans has been assumed by individuals. | 1,538 | 2,989 |
| | <u>\$ 19,106,771</u> | <u>\$ 21,776,515</u> |

- (b) Principal payments are due as follows:

| | General revenue | User charges | Total |
|---------------------|---------------------|----------------------|----------------------|
| 2024 | \$ 1,342,269 | \$ 424,533 | \$ 1,766,802 |
| 2025 | 871,659 | 437,287 | 1,308,946 |
| 2026 | 1,367,739 | 449,444 | 1,817,183 |
| 2027 | 659,110 | 445,826 | 1,104,936 |
| 2028 | 1,249,133 | 455,305 | 1,704,438 |
| 2029 to 2033 | 3,008,875 | 4,503,899 | 7,512,774 |
| 2034 and thereafter | - | 3,891,692 | 3,891,692 |
| | <u>\$ 8,498,785</u> | <u>\$ 10,607,986</u> | <u>\$ 19,106,771</u> |

- (c) Interest expense on long term liabilities in 2023 amounted to \$652,214 (2022 - \$713,115).
- (d) These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

7. Accumulated municipal equity:

| | 2023 | 2022 |
|---|----------------------|----------------------|
| | | (restated - note 17) |
| Investment in tangible capital assets: | | |
| Tangible capital assets | \$ 91,550,645 | \$ 86,863,634 |
| Long-term liabilities, excluding tile loan program debt | (19,105,233) | (21,773,526) |
| Unfinanced capital projects road projects | (4,008,493) | (545,557) |
| | 68,436,919 | 64,544,551 |
| Unfunded asset retirement obligations | (1,290,100) | (1,238,054) |
| Reserves (Schedule 1) | 19,515,973 | 20,068,262 |
| Equity in government business enterprises: | | |
| Ottawa River Power Corporation | 2,528,980 | 2,518,720 |
| Ottawa River Energy Solution Inc. | 341,085 | 315,812 |
| Mississippi River Power Corporation | 5,119,238 | 4,866,174 |
| | 7,989,303 | 7,700,706 |
| Total accumulated municipal equity | \$ 94,652,095 | \$ 91,075,465 |

8. Asset retirement obligations:

The Municipality's asset retirement obligations consist of the following:

(a) Landfill obligation:

The Municipality owns and operates three landfill sites, two of which are closed and one, the Almonte site, is still active. The liability for the closure of operational sites and post-closure care for all the sites has been recognized under PS 3280 Asset Retirement Obligations. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the sites and for a minimum of 25 years post this date. As at December 31, 2023, the landfill had an estimated remaining useful life of 21 years. Post-closure care is estimated to be required for a minimum 25 years from the date of site closure. The Municipality recognized an obligation relating to the removal and post-removal care of the landfill. These costs were discounted using a discount rate of 2.33% per annum and an inflation rate of 4.53% per annum.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

8. Asset retirement obligations (continued):

(b) Asbestos obligation:

The Municipality owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 Asset Retirement Obligations, the Municipality assessed an obligation relating to the removal and post-removal care of the asbestos in these building as estimated at January 1, 2023 that was lower than the thresholds set out in note 1(g) . Post-closure care is estimated to extend for up to a year post the closure of the building, while demolition and construction continues. Estimated costs have not been discounted as the date of demolition is unknown.

The change in the estimated obligation during the year consists of the following:

| | Landfill closure | Asbestos removal | Total |
|--|---------------------|---------------------|--------------|
| Balance, January 1, 2022 as previously stated | \$ 861,179 | \$ – | \$ 861,179 |
| Adjustment on adoption of PS 3280 asset retirement obligations (note 17) | 1,090,079 | 97,343 | 1,187,422 |
| Balance, January 1, 2022, as restated | 1,951,258 | 97,343 | 2,048,601 |
| Accretion expense | 50,632 | – | 50,632 |
| Balance, December 31, 2022, as restated | 2,001,890 | 97,343 | 2,099,233 |
| Accretion expense | 52,046 | – | 52,046 |
| Balance, December 31, 2023 | \$ 2,053,936 | \$ 97,343 | \$ 2,151,279 |

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

9. Pension contributions:

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (“OMERS”), which is a multi-employer plan, on behalf of all permanent 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. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Municipality does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements.

The last available report was at December 31, 2023 and at that time the plan reported a \$4.2 billion actuarial deficit (2022 - \$6.7 billion actuarial deficit).

The amount contributed to OMERS was \$655,553 (2022 - \$479,745) for current services and is included as an expense on the Consolidated Statement of Operations and Accumulated Municipal Equity classified under the appropriate functional expense.

10. Provincial Offences Administration (POA):

The Corporation of the Town of Perth has assumed the administration of the Provincial Offences office for all County of Lanark resident municipalities. The transfer of administration from the Ministry of the Attorney General to the Corporation of the Town of Perth was a result of the Provincial Offences Act (POA) 1997, which provides the framework for the transfer of responsibility and administration of POA courts.

The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-Laws and minor federal offences. The POA governs all aspects of legal process from serving notice to a defendant, to conducting trials, including sentencing and appeals.

The Municipality’s share of net revenues arising from operation of the POA office have been consolidated with these financial statements. The revenue of the court office consists of fines levied under Parts I and III (including delay penalties) for POA charges filed in the Perth court.

If fines are paid at other court offices, the receipt is recorded in the Integrated Courts Operation Network System (“ICON”) operated by the Province of Ontario. Revenue is recognized when receipt of funds is recorded by the provincial ICON system regardless of the location where payment is made. The Municipality shares net POA revenues based on weighted assessment.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

11. Commitments:

- (a) In November 2017, the Municipality entered into a contract with OCWA (Ontario Clean Water Agency). For the management and operations of the water plant, wastewater plant and the sanitary pumping station. The contract is for the period January 1, 2018 to December 31, 2024 and provides for a four-year extension to December 31, 2028.

The contract is a fixed price contract that provides for an annual inflation increase of 1.85%. The contract provides for the reconciliation of hydro costs on an annual basis. The annual cost of the contract was \$1,597,788 (2022 - \$1,490,665).

- (b) There is no contract for policing services. The Municipality is provided police services by the Ontario Provincial Police under Section 5.1 of the Police Services Act. The annual charges are determined based on the level of service and are reconciled to actual costs in the following year. The amount paid in 2023 for police service usage was \$1,869,790 (2022 - \$1,927,968).
- (c) The Municipality has negotiated a long-term contract with Topps Environmental for the collection of curbside garbage. The contract expires May 31, 2029. Annual charges are determined by reference to the Municipality's number of households, the consumer price index and a fuel surcharge clause. The contract for 2023 was \$612,005 (2022 - \$747,599).
- (d) The Municipality has negotiated a long-term contract with Waste Management Canada for the disposal of curbside garbage. The contract expires May 31, 2028. Charges under this contract are a fixed price of \$75 per tonne of garbage disposed. There are no escalations to this price during the duration of the contract.

12. Contingent liabilities:

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2023, management believes that the Municipality has valid defences and appropriate insurance coverages in place.

In the event any claims are successful, the amount of any potential liability is not determinable, therefore, no amount has been accrued in the consolidated financial statements.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

13. Tangible capital assets:

| Cost | Balance at December 31, 2022 | Adjustments on adoption of PS 32800 | Balance at December 31, 2022 restated | Transfers and additions | Disposals and adjustments | Balance at December 31, 2023 (restated - note 17) |
|-------------------------------------|------------------------------------|---|---|-------------------------------|---------------------------------|--|
| Land | \$ 327,845 | – | 327,845 | \$ – | \$ – | \$ 327,845 |
| Landfill sites | 112,423 | 822,437 | 934,860 | – | – | 934,860 |
| Buildings | 18,796,753 | 97,343 | 18,894,096 | 233,653 | – | 19,127,749 |
| Vehicles | 7,396,213 | – | 7,396,213 | 194,423 | – | 7,590,636 |
| Equipment | | | | | | |
| Parks | 2,927,457 | – | 2,927,457 | 7,098 | – | 2,934,555 |
| Streetlights and traffic lights | 3,199,820 | – | 3,199,820 | – | – | 3,199,820 |
| Other | 4,781,936 | – | 4,781,936 | 83,224 | – | 4,865,160 |
| Water and sewer facilities | | | | | | |
| Linear assets | 25,176,106 | – | 25,176,106 | 6,885,884 | (107,426) | 31,954,564 |
| Water tower | 1,701,978 | – | 1,701,978 | – | – | 1,701,978 |
| Wells, lagoons, pumping stations | 32,817,731 | – | 32,817,731 | 262,800 | – | 33,080,531 |
| Linear assets | | | | | | |
| Roads | 22,610,586 | – | 22,610,586 | 7,885,432 | – | 30,496,018 |
| Sidewalks and curbs | 4,288,000 | – | 4,288,000 | 426,755 | – | 4,714,755 |
| Bridges and culverts | 8,488,058 | – | 8,488,058 | 138,776 | – | 8,626,834 |
| Construction in progress | 8,030,968 | – | 8,030,968 | (7,299,076) | – | 731,892 |
| Total | \$140,655,874 | \$ 919,780 | \$141,575,654 | \$ 8,818,969 | \$ (107,426) | \$150,287,197 |

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

13. Tangible capital assets (continued):

| Accumulated Amortization | Balance at December 31, 2022 | Adjustments on adoption of PS 32800 | Balance at December 31, 2022 restated | Transfers and additions | Disposals and adjustments | Balance at December 31, 2023 (restated - note 17) |
|-------------------------------------|------------------------------------|---|---|-------------------------------|---------------------------------|--|
| Land | \$ - | \$ - | \$ - | \$ - | - | - |
| Landfill sites | 88,914 | 479,755 | 568,669 | 15,273 | - | 583,942 |
| Buildings | 9,328,350 | 97,343 | 9,425,693 | 460,985 | - | 9,886,678 |
| Vehicles | 4,000,454 | - | 4,000,454 | 349,707 | - | 4,350,161 |
| Equipment | | | | | | |
| Parks | 1,211,523 | - | 1,211,523 | 124,335 | - | 1,335,858 |
| Streetlights and traffic lights | 2,335,441 | - | 2,335,441 | 64,038 | - | 2,399,479 |
| Other | 3,331,915 | - | 3,331,915 | 214,228 | - | 3,546,143 |
| Water and sewer facilities | | | | | | |
| Linear assets | 7,209,254 | - | 7,209,254 | 411,030 | - | 7,620,284 |
| Water tower | 1,250,826 | - | 1,250,826 | 55,400 | - | 1,306,226 |
| Wells, lagoons, pumping stations | 9,927,827 | - | 9,927,827 | 815,472 | - | 10,743,299 |
| Linear assets | | | | | | |
| Roads | 11,914,393 | - | 11,914,393 | 1,207,393 | - | 13,121,786 |
| Sidewalks and curbs | 1,771,685 | - | 1,771,685 | 104,322 | - | 1,876,007 |
| Bridges and culverts | 1,764,340 | - | 1,764,340 | 202,349 | - | 1,966,689 |
| Construction in progress | - | - | - | - | - | - |
| Total | \$ 54,134,922 | \$ 577,098 | \$ 54,712,020 | \$ 4,024,532 | \$ - | \$ 58,736,552 |

| | Net book value December 31, 2022 (restated - note 17) | Net book value December 31, 2023 |
|----------------------------------|---|-------------------------------------|
| Land | \$ 327,845 | \$ 327,845 |
| Landfill sites | 366,191 | 350,918 |
| Buildings | 9,468,403 | 9,241,071 |
| Vehicles | 3,395,759 | 3,240,475 |
| Equipment | | |
| Parks | 1,715,934 | 1,598,697 |
| Streetlights and traffic lights | 864,379 | 800,341 |
| Other | 1,450,021 | 1,319,017 |
| Water and sewer facilities | | |
| Linear assets | 17,966,852 | 24,334,280 |
| Water tower | 451,152 | 395,752 |
| Wells, lagoons, pumping stations | 22,889,904 | 22,337,232 |
| Linear assets | | |
| Roads | 10,696,193 | 17,374,232 |
| Sidewalks and curbs | 2,516,315 | 2,838,748 |
| Bridges and culverts | 6,723,718 | 6,660,145 |
| Construction in progress | 8,030,968 | 731,892 |
| Total | \$ 86,863,634 | \$ 91,550,645 |

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

14. Segmented information:

The Municipality is a diversified municipal government that provides a wide range of services to its citizens. The services are provided by departments and their activities are reported in the Consolidated Statement of Operations and Accumulated Municipal Equity.

Departments have been separately disclosed in the segmented information, along with the service they provide, are set out in the schedule below.

For each reported segment, expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

14. Segmented information (continued):

| 2023 | General Government | Protection to Persons and Property | Transportation Services | Environmental Services | Water and Sewer Services | Social and Family Services | Recreation and Cultural Services | Planning and Development | Total |
|--|-----------------------|--|----------------------------|---------------------------|--------------------------------|-------------------------------|--|-----------------------------|---------------|
| Revenue | | | | | | | | | |
| Taxation | \$ 13,392,592 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 13,392,592 |
| Taxation garbage collection charges | - | - | - | 1,692,054 | - | - | - | - | 1,692,054 |
| User charges | 26,817 | 107,834 | 111,207 | 21,873 | 4,236,410 | 1,219,414 | 672,504 | 180,532 | 6,576,591 |
| Government transfers | 1,474,581 | 4,527 | 1,356,654 | 201,225 | 72,598 | - | 50,867 | - | 3,160,452 |
| Other Municipal governments | - | - | 25,340 | - | - | 1,904,122 | - | - | 1,929,462 |
| Licenses and permits | 8,150 | 408,549 | - | - | - | - | - | - | 416,699 |
| Development charges | 70,570 | 35,340 | - | - | 332,599 | 23,100 | 76,142 | - | 537,751 |
| Investment income | 981,948 | - | - | - | 178,179 | - | - | - | 1,160,127 |
| Penalties and interest on taxes | 307,385 | - | - | - | - | - | - | - | 307,385 |
| Other income | 505,996 | 38,594 | - | - | - | - | 76,175 | - | 620,765 |
| Gain on sale of tangible capital assets | - | - | 244,210 | - | - | - | - | - | 244,210 |
| Loss on writedown of tangible capital assets | - | - | - | - | (107,426) | - | - | - | (107,426) |
| Contributed tangible capital assets | - | - | - | - | - | - | - | - | - |
| Net equity increase: | | | | | | | | | |
| Ottawa River Power Corporation | 49,744 | - | - | - | - | - | - | - | 49,744 |
| Ottawa River Energy Solutions Inc. | 25,273 | - | - | - | - | - | - | - | 25,273 |
| Mississippi River Power Corporation | 478,064 | - | - | - | - | - | - | - | 478,064 |
| | 17,321,120 | 594,844 | 1,737,411 | 1,915,152 | 4,712,360 | 3,146,636 | 875,688 | 180,532 | 30,483,743 |
| Expenses | | | | | | | | | |
| Salaries and wages | 1,936,659 | 1,228,600 | 1,331,365 | 42,886 | 354,404 | 2,831,301 | 1,460,385 | 717,969 | 9,903,569 |
| Debenture interest | 20,724 | 21,185 | 156,554 | - | 428,566 | - | 22,695 | 2,490 | 652,214 |
| Materials and services | 912,086 | 2,705,409 | 2,375,310 | 1,659,539 | 2,180,473 | 325,298 | 989,694 | 806,112 | 11,953,921 |
| External transfers | - | 98,387 | - | - | - | - | 274,490 | - | 372,877 |
| Amortization | 167,328 | 197,461 | 1,828,285 | 15,273 | 1,317,333 | 17,639 | 474,407 | 6,806 | 4,024,532 |
| | 3,036,797 | 4,251,042 | 5,691,514 | 1,717,698 | 4,280,776 | 3,174,238 | 3,221,671 | 1,533,377 | 26,907,113 |
| Annual surplus (deficit) | \$ 14,284,323 | \$ (3,656,198) | \$ (3,954,103) | \$ 197,454 | \$ 431,584 | \$ (27,602) | \$ (2,345,983) | \$ (1,352,845) | \$ 3,576,630 |

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

14. Segmented information (continued):

| 2022 | General Government | Protection to Persons and Property | Transportation Services | Environmental Services | Water and Sewer Services | Social and Family Services | Recreation and Cultural Services | Planning and Development | Total |
|---|-----------------------|--|----------------------------|---------------------------|--------------------------------|-------------------------------|--|-----------------------------|---------------|
| Revenue | | | | | | | | | |
| Taxation | \$ 12,741,590 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 12,741,590 |
| Taxation garbage collection charges | - | - | - | 1,627,416 | - | - | - | - | 1,627,416 |
| User charges | 55,061 | 104,273 | 10,943 | 20,047 | 4,221,404 | 1,340,971 | 515,575 | 165,562 | 6,433,836 |
| Government transfers | 1,239,044 | 10,262 | 2,340,098 | 430,564 | - | - | 45,587 | - | 4,065,555 |
| Other Municipal governments | - | - | 29,057 | - | - | 1,209,593 | - | - | 1,238,650 |
| Licenses and permits | 5,250 | 607,165 | - | - | - | - | - | - | 612,415 |
| Development charges | - | 39,240 | 56,630 | - | 262,129 | 90,678 | 87,130 | - | 535,807 |
| Investment income | 433,806 | - | - | - | 35,000 | - | - | - | 468,806 |
| Penalties and interest on taxes | 202,048 | - | - | - | - | - | - | - | 202,048 |
| Other income | 263,351 | 6,800 | 2,000 | - | - | - | 50,520 | - | 322,671 |
| Gain on sale of tangible capital assets | 1,502,859 | - | - | - | - | - | - | - | 1,502,859 |
| Contributed tangible capital assets | - | - | - | - | - | - | - | - | - |
| Net equity increase: | | | | | | | | | |
| Ottawa River Power Corporation | 98,710 | - | - | - | - | - | - | - | 98,710 |
| Ottawa River Energy Solutions Inc. | 14,432 | - | - | - | - | - | - | - | 14,432 |
| Mississippi River Power Corporation | 281,895 | - | - | - | - | - | - | - | 281,895 |
| | 16,838,046 | 767,740 | 2,438,728 | 2,078,027 | 4,518,533 | 2,641,242 | 698,812 | 165,562 | 30,146,690 |
| Expenses | | | | | | | | | |
| Salaries and wages | 1,441,038 | 1,108,528 | 1,226,651 | 62,654 | 291,304 | 2,478,014 | 1,323,479 | 439,143 | 8,370,811 |
| Debenture interest | 36,786 | 34,289 | 97,515 | - | 447,190 | - | 10,109 | 87,226 | 713,115 |
| Materials and services | 1,109,683 | 2,622,405 | 2,348,988 | 2,043,399 | 2,254,428 | 318,524 | 821,016 | 271,570 | 11,790,013 |
| External transfers | - | 91,660 | - | - | - | - | 220,317 | - | 311,977 |
| Amortization | 165,581 | 197,461 | 1,551,678 | 15,273 | 1,278,987 | 15,174 | 459,335 | 6,804 | 3,690,293 |
| | 2,753,088 | 4,054,343 | 5,224,832 | 2,121,326 | 4,271,909 | 2,811,712 | 2,834,256 | 804,743 | 24,876,209 |
| Annual surplus (deficit) | \$ 14,084,958 | \$ (3,286,603) | \$ (2,786,104) | \$ (43,299) | \$ 246,624 | \$ (170,470) | \$ (2,135,444) | \$ (639,181) | \$ 5,270,481 |

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

15. Financial instruments and risk management:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Municipality is exposed to credit risk with respect to accounts receivable on the Statement of Financial Position.

The Municipality assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Municipality at December 31, 2023 is the carrying value of these assets. The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the Statement of Operations and Accumulated Municipal Equity. Subsequent recoveries of impairment losses related to accounts receivable are credited to the Statement of Operations and Municipal Equity.

| | Current | Past due | Gross receivables | Allowances | Net receivables |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Accounts receivable | \$ 978,744 | \$ – | \$ 978,744 | \$ (195,852) | \$ 782,892 |
| Taxes receivable | 1,357,350 | 1,021,626 | 2,378,976 | (94,900) | 2,284,076 |
| Grants receivable | 840,695 | 671,142 | 1,511,837 | – | 1,511,837 |
| Total | \$ 3,176,789 | \$ 1,692,768 | \$ 4,869,557 | \$ (290,752) | \$ 4,578,805 |

(b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates, impact the Municipality's income or the value of its holdings of financial instruments. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

There have been no significant changes to the market risk exposure from 2022.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

15. Financial instruments and risk management (continued):

(b) Market risk

(i) Currency risk:

Currency risk arises from the Municipality's operations in different currencies and converting non-Canadian earnings at different points in time at different foreign currency levels when adverse changes in foreign currency rates occur. The Municipality does not have any material transactions or financial instruments denominated in foreign currencies.

(ii) Interest rate risk:

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. Financial assets and financial liabilities with variable interest rates expose the Municipality to cash flow interest rate risk.

The Municipality's management monitors the interest rate fluctuations on a continuous basis and acts accordingly with regards to long-term debt as described in note 6. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the long-term debt.

There has been no change to the interest rate risk exposure from 2022.

(iii) Equity risk:

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Municipality is not exposed to this risk based on the current investment portfolio.

(c) Liquidity risk:

Liquidity risk is the risk that the Municipality will not be able to meet all of its cash outflow obligations as they come due. The Municipality 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. Accounts payable are all current and the terms of the long-term debt are disclosed in note 6.

There have been no significant changes from the previous year in the Municipality's exposure to liquidity risk or policies, procedures and methods used to measure the risk.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

16. Budget information:

The 2023 budget amounts that were approved were not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Board Standards). The budget included capital items such as infrastructure replacements and estimated costs for constructed assets, as program expenses, but the actual expenses have been removed in the Consolidated Statement of Operations and Accumulated Municipal Equity. The revenue attributable to these items continue to be included in the Consolidated Statement of Operations and Accumulated Municipal Equity, resulting in a significant variance.

The following analysis is provided to assist readers in their understanding of differences between the approved budget and the audited consolidated financial statements:

| | 2023 Budget | 2023 Actual |
|---|----------------|----------------|
| Total revenue | \$ 30,269,102 | \$ 30,483,743 |
| Total expenses | 27,784,601 | 26,907,113 |
| Net earnings | 2,484,501 | 3,576,630 |
| Amortization | 4,012,871 | 4,024,532 |
| Adjusted net earnings | 6,497,372 | 7,601,162 |
| Capital expenses | (7,803,606) | (8,818,969) |
| Loss on write-down of tangible capital assets | - | 107,426 |
| Net change in investment in: | | |
| Ottawa River Power Corporation | - | (10,260) |
| Ottawa River Energy Solutions Inc. | - | (25,273) |
| Mississippi River Power Corporation | - | (253,064) |
| Principal repayments | (1,509,467) | (2,668,293) |
| Net long-term debt acquired | 1,615,100 | - |
| Asset retirement obligations | - | 52,046 |
| Decrease in operating surplus | \$ (1,200,601) | \$ (4,015,225) |
| Allocated as follows: | | |
| Net transfers from reserves | \$ (1,200,601) | \$ (552,289) |
| Net decrease in unfinanced capital | - | (3,462,936) |
| | \$ (1,200,601) | \$ (4,015,225) |

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

17. Change in accounting policy – adoption of new accounting standards:

- (a) The Municipality adopted the following standards concurrently beginning January 1, 2023 prospectively: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments*, and PS 3450 *Financial Instruments*.

PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denoted in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.

PS 3041 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* no longer applies.

PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

- (i) Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

17. Change in accounting policy – adoption of new accounting standards (continued):

(a) (continued)

(ii) Fair value hierarchy:

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

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

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).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

In accordance with PS 3450 *Financial Instruments*, the financial statements of prior periods were not restated on transition. Consequently, the accounting policies for recognition, derecognition and measurement of financial instruments applied to the comparative information reflect those disclosed in the 2022 financial statements.

On application of this standard, a new statement, the Statement of Remeasurement Gains and Losses has not been included in these financial statements as there are no unrealized gains or losses to report.

Any difference between the financial instruments' fair values as at January 1, 2023 and previous carrying amounts as at December 31, 2022, excluding previously recognized exchange gains and losses, were recognized as an adjustment to the opening balance of accumulated remeasurement gains and losses. Hence, no comparative amounts are reported in the Statement of Remeasurement Gains and Losses due to prospective application of this standard.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

17. Change in accounting policy – adoption of new accounting standards (continued):

- (b) PS 3280 *Asset Retirement Obligations* ("ARO") establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. This standard was adopted on January 1, 2023 on a modified retroactive basis with prior period restatement.

In the past, the Municipality has reported its obligations related to the retirement of tangible capital assets in the period when the asset was retired directly as an expense. The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded, and replaces Section PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability*. Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or that is based on a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities. Costs include post-retirement operation, maintenance, and monitoring that are an integral part of the retirement of the tangible capital asset (if applicable). When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated tangible capital asset.

A significant part of asset retirement obligations results from the removal and disposal of designated substances such as asbestos from Municipality buildings and landfill closure and post-closure activities. The Municipality reports liabilities related to the legal obligations where the Municipality is obligated to incur costs to retire a tangible capital asset.

The Municipality removed the accrued landfill obligation that had been recognized to date and recognized an asset retirement obligation upon adoption of PS 3280 *Asset Retirement Obligations* on January 1, 2022. The liability represents the required closure and post-closure care costs for the landfill sites owned by the Municipality.

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

17. Change in accounting policy – adoption of new accounting standards (continued):

(b) (continued):

The Municipality's ongoing efforts to assess the extent to which designated substances exist in Municipality assets, and new information obtained through regular maintenance and renewal of Municipality assets may result in additional asset retirement obligations from better information on the nature and extent the substance exists or from changes in the estimated cost to fulfil the obligation. The measurement of assets retirement obligations is also impacted by activities that occurred to settle all or part of the obligation, or any changes in the legal obligation. Revisions to the estimated cost of the obligation will result in the carrying amount of the associated assets that are in productive use and amortized as part of the asset on an ongoing basis. When obligations have reliable cash flow projections, the liability may be estimated using the present value of future cash flows. Subsequently, accretion of the discounted liability due to the passage of time is recorded as an in-year expense (if applicable).

To estimate the liability for similar buildings that do not have information on asbestos and other designated substances, the Municipality uses buildings with assessments on the extent and nature of the designated substances in the building to measure the liability and those buildings and this information is extrapolated to a group of similar assets that do not have designated substances reports. As more information becomes available on specific assets, the liability is revised to be asset specific. In other situations, where the building might not be part of a large portfolio, other techniques are used such as using industry data, experts or basing the estimate on a specific asset that is similar (if applicable).

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

17. Change in accounting policy – adoption of new accounting standards (continued):

(b) (continued):

In accordance with the provisions of the new standard, the Municipality reflected the following adjustments as at December 31, 2022:

| | As previous reported | Adjustments | As restated |
|--|-------------------------|-------------|----------------|
| Statement of Financial Position: | | | |
| Accrued landfill closure and post closure | \$ (861,179) | \$ 861,179 | \$ – |
| Asset retirement obligations | – | (2,099,233) | (2,099,233) |
| Tangible capital assets | 86,520,952 | 342,682 | 86,863,634 |
| Accumulated surplus | 91,970,837 | (895,372) | 91,075,465 |
| Statement of Change in Net Financial Debt: | | | |
| Annual surplus (deficit) | 5,332,536 | (62,055) | 5,270,481 |
| Amortization of tangible capital assets | 3,678,870 | 11,423 | 3,690,293 |
| Change in net financial assets | 2,996,832 | (50,632) | 2,946,200 |
| Statement of Operations: | | | |
| Accretion expense | – | 50,632 | 50,632 |
| Amortization on landfill asset | 3,850 | 11,423 | 15,273 |
| Annual Surplus for the year | 5,332,536 | (62,055) | 5,270,481 |

CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Schedule 1: Continuity of Reserves and Reserve Funds

Year ended December 31, 2023, with comparative information for 2022

| | Budget (note 16) | 2023 | 2022 |
|--|---------------------|---------------|---------------|
| Net transfers from (to) other funds | | | |
| Transfers from operations | \$ 1,489,826 | \$ 2,594,355 | \$ 4,102,634 |
| Transfers to capital acquisitions | (2,690,427) | (3,146,644) | (2,471,826) |
| Total net transfers | (1,200,601) | (552,289) | 1,630,808 |
| Reserves and reserve fund balances, beginning of year | 20,068,262 | 20,068,262 | 18,437,454 |
| Reserves and reserve fund balances, end of year | \$ 18,867,661 | \$ 19,515,973 | \$ 20,068,262 |

Composition of Reserves and Reserve Funds

| | 2023 | 2022 |
|---|----------------------|----------------------|
| Reserves set aside for specific purposes by Council: | | |
| For operating purposes: | | |
| Working capital | \$ 1,100,000 | \$ 1,100,000 |
| Contingencies | 584,921 | 584,921 |
| Library | 61,870 | 67,677 |
| Winter control | 97,620 | 97,620 |
| Protection to persons and property | 622,156 | 911,139 |
| Planning and zoning | 21,113 | 29,659 |
| Economic development | 2,449,228 | 2,307,062 |
| Parking | 61,738 | 55,738 |
| Daycare | 524,657 | 607,622 |
| | 5,523,303 | 5,761,438 |
| For capital purposes: | | |
| Acquisition of capital assets | 8,060,255 | 7,764,113 |
| Public works | 313,101 | 379,137 |
| Recreation | - | 83,222 |
| Fire | - | 174,230 |
| Waste management | 1,046,502 | 1,085,899 |
| Former Town of Almonte - water and sewer | 4,176,520 | 4,443,931 |
| Septic system | 396,292 | 376,292 |
| | 13,992,670 | 14,306,824 |
| Total reserves and reserve funds | \$ 19,515,973 | \$ 20,068,262 |