

Consolidated Financial Statements

**THE CORPORATION OF THE
TOWN OF SMOOTH ROCK FALLS**

And Independent Auditor's Report thereon

Year ended December 31, 2023

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Town of Smooth Rock Falls (the "Municipality") are the responsibility of the Municipality's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the 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 judgment, 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 the 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 their 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.

Yvan Marchand
Chief Administrative Officer-Treasurer



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of Smooth Rock Falls

Opinion

We have audited the accompanying consolidated financial statements of The Corporation of the Town of Smooth Rock Falls (the Corporation), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes and schedules 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 consolidated financial position of The Corporation of the Town of Smooth Rock Falls as at December 31, 2023, and its consolidated results of operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our report.

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 2 to the financial statements (“Note 2”), which explains that certain comparative information presented for the year ended December 31, 2022 has been restated as a result of the modified retroactive adoption of the asset retirement obligation standard. Note 2 explains the reason 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 as a result of a change in accounting policy. 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 Corporation’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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation’s financial reporting process.

Auditor’s Responsibility 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.

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



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We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities 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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

August 7, 2024

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Consolidated Financial Statements

Year ended December 31, 2023

Consolidated Financial Statements

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THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Consolidated Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022 (Restated - note 2)
Financial assets		
Cash and cash equivalents	\$ -	\$ 888,329
Due from Government of Canada (note 3)	543,176	819,520
Due from Province of Ontario	158,990	358,160
Taxes and user charges receivable (note 4)	317,874	304,189
Accounts receivable	220,476	217,606
Investments (note 6)	1,265,176	1,598,188
Long-term receivables (note 7)	2,949	5,899
	<u>2,508,641</u>	<u>4,191,891</u>
Financial liabilities		
Bank indebtedness (note 5)	118,627	-
Accounts payable and accrued liabilities	637,979	1,629,688
Accrued post-retirement benefit obligations (note 8)	52,903	57,293
Deferred revenue	67,894	802,111
Deferred revenue - obligatory reserve funds (note 9)	25,755	116,679
Asset retirement obligation (note 10)	2,865,085	2,785,473
Long-term debt (note 11)	7,886,325	5,573,843
	<u>11,654,568</u>	<u>10,965,087</u>
Net debt	(9,145,927)	(6,773,196)
Non-financial assets		
Tangible capital assets (note 12)	31,110,584	26,232,027
Prepaid expenses	126,005	112,683
	<u>31,236,589</u>	<u>26,344,710</u>
Commitments (note 16)		
Accumulated surplus (note 13)	<u>\$ 22,090,662</u>	<u>\$ 19,571,514</u>

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

On behalf of Council:

_____ Mayor

_____ Treasurer

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Consolidated Statement of Operations and Accumulated Surplus

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

	Budget 2023 (note 14)	Actual 2023	Actual 2022 (Restated - note 2)
Revenues:			
Taxation	\$ 2,754,817	\$ 2,755,330	\$ 2,665,107
Fees and user charges	972,163	1,153,625	1,180,290
Province of Ontario grants	891,903	3,250,232	1,727,389
Government of Canada grants	108,570	1,784,823	1,342,127
Investment income	37,240	101,423	13,993
Other	867,623	273,759	425,229
Total revenues	5,632,316	9,319,192	7,354,135
Expenses:			
General government	1,522,661	1,301,404	1,290,806
Protection to persons and property	557,352	575,276	518,407
Transportation services	1,028,358	1,796,708	1,701,254
Environmental services	1,140,730	1,477,082	1,406,815
Health services	84,680	101,312	82,593
Social and family services	312,430	315,277	318,791
Recreation and cultural services	656,991	885,484	869,385
Planning and development	308,291	267,889	381,073
Total expenses	5,611,493	6,720,432	6,569,124
Annual surplus before the undernoted	20,823	2,598,760	785,011
Asset retirement obligation inflationary increase	-	79,612	128,507
Annual surplus	20,823	2,519,148	656,504
Accumulated surplus, beginning of year	19,571,514	19,571,514	21,143,976
Adjustment on adoption of the asset retirement obligation standard (note 2)	-	-	(2,228,966)
Accumulated surplus, beginning of year, as restated	-	19,571,514	18,915,010
Accumulated surplus, end of year	\$ 19,592,337	\$ 22,090,662	\$ 19,571,514

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

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Consolidated Statement of Changes in Net Debt

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

	Budget 2023 (note 14)	Actual 2023	Actual 2022 (Restated - note 2)
Annual surplus	\$ 20,823	\$ 2,519,148	\$ 656,504
Acquisition of tangible capital assets	(1,325,715)	(6,501,747)	(4,136,249)
Amortization of tangible capital assets	-	1,623,190	1,452,236
Acquisition and use of prepaid expenses	-	(13,322)	(23,893)
	(1,325,715)	(4,891,879)	(2,707,906)
Change in net debt	(1,304,892)	(2,372,731)	(2,051,402)
Net debt, beginning of the year	(6,773,196)	(6,773,196)	(2,492,828)
Adjustment on adoption of the asset retirement obligation standard (note 2)	-	-	(2,228,966)
Net debt, beginning of the year, as restated	(6,773,196)	(6,773,196)	(4,721,794)
Net debt, end of the year	\$ (8,078,088)	\$ (9,145,927)	\$ (6,773,196)

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

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Consolidated Statement of Cash Flows

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

	2023	2022 (Restated - note 2)
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 2,519,148	\$ 656,504
Items not involving cash:		
Amortization of tangible capital assets	1,623,190	1,452,236
Change in accrued post-retirement benefit obligations	(4,390)	(3,896)
Asset retirement obligation inflationary increase	79,612	128,507
	4,217,560	2,233,351
Change in non-cash assets and liabilities:		
Increase in taxes and user charges receivable	(13,685)	(128,016)
Decrease in due from Province of Ontario	199,170	330,240
Decrease (increase) in due from Government of Canada	276,344	(467,409)
Decrease (increase) in accounts receivable	(2,870)	8,134
Increase in prepaid expenses	(13,322)	(23,893)
Increase (decrease) in accounts payable and accrued liabilities	(991,709)	869,991
Increase (decrease) in deferred revenue	(734,217)	397,999
Decrease in deferred revenue - obligatory reserve funds	(90,924)	(13,591)
Net change in cash from operating activities	2,846,347	3,206,806
Capital activities:		
Cash used to acquire tangible capital assets	(6,501,747)	(4,136,249)
Net change in cash from capital activities	(6,501,747)	(4,136,249)
Investing activities:		
Decrease in long-term investments	333,012	498,294
Decrease in long-term receivable	2,950	2,949
Net change in cash from investing activities	335,962	501,243
Financing activities:		
Proceeds from issuance of long-term debt	2,609,933	1,357,051
Repayment of long-term debt	(297,451)	(265,893)
Net change in cash from financing activities	2,312,482	1,091,158
Net change in cash and cash equivalents	(1,006,956)	662,958
Cash and cash equivalents, beginning of year	888,329	225,371
Cash and cash equivalents (bank indebtedness), end of year	\$ (118,627)	\$ 888,329

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

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

The Corporation of the Town of Smooth Rock Falls (the "Municipality") is a municipality in the Province of Ontario and operates under the provisions of the Municipal Act, 2001 and other legislation. The Town provides municipal services such as fire, public works, planning, parks, recreation and culture and other general government services.

1. Significant accounting policies:

The consolidated financial statements of the Municipality are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Reporting entity:

These consolidated financial statements reflect the assets, liabilities, revenues, expenses and fund balances of the reporting entity. 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. These consolidated financial statements include the Smooth Rock Falls Public Library Board.

All inter-departmental and inter-organizational transactions and balances between these organizations are eliminated.

The investments Solaire Smooth Rock Falls Solar Inc. and 2294834 Ontario Inc. are accounted for using the modified equity basis of accounting, consistent with Public Sector Accounting Standards. Under this method, the government business enterprise's accounting policies, which follow Canadian generally accepted accounting principles for publicly accountable enterprises, are not adjusted to conform with Public Sector Accounting Standards and inter-entity transactions and balances are not eliminated. The Municipality recognizes its equity interest in the annual income or loss of Solaire Smooth Rock Falls Solar Inc. and 2294834 Ontario Inc. in its consolidated statement of operations and accumulated surplus.

(b) Basis of accounting:

Sources of financing and expenses are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(c) Investments:

Investments consist of authorized investments pursuant to provisions of the Municipal Act and are comprised of short-term instruments in mutual funds. Investments are classified as investments in the statement of financial position and are carried at fair market value.

Investment income earned on the investments, are reported as revenue in the period earned.

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

1. Significant accounting policies (continued):

(d) Tangible capital assets:

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

Asset	Useful Life - Years
Land improvements	20
Buildings	20 - 60
Vehicles	5 - 10
Equipment	5 - 20
Roads, bridges and culverts	15 - 50
Water and sewer	12 - 75

Assets under construction are not amortized until the asset is available for productive use.

(i) Contributions of tangible capital assets

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

(ii) Natural resources

Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(e) Revenue recognition:

The Municipality prepares tax billings based on assessment rolls issued by Municipal Property Assessment Corporation, in accordance with rates established and approved annually by Council and the Province of Ontario. Taxation revenue is recognized in the period in which the taxes are levied.

Government transfers are recognized in the period in which the events giving rise to the transfer occurred, provided that the transfer is authorized, and the amount can be reasonably estimated. Government grants are recognized when approved to the extent the related expenses have been incurred and collection can be reasonably assured.

User fees and other revenues are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided.

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

1. Significant accounting policies (continued):

(f) Financial instruments:

All financial instruments are initially recorded on the statement of financial position at fair value.

All investments held in equity instruments that trade in an active market are recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis. Freestanding derivative instruments that are not equity instruments that are quoted in an active market are subsequently measured at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operation. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from accumulated remeasurement gains and recognized in the statement of operations. Financial instruments are classified into fair value hierarchy Levels 1, 2 or 3 for the purposes of describing the basis of the inputs used to determine the fair market value of those amounts recorded a fair value, as described below:

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 market-based inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly

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

(g) Use of estimates:

The preparation of the consolidated 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 dates of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include valuation allowances for taxes and user charges receivable, accounts receivable, accrued post-retirement benefit obligations and estimating provisions for accrued liabilities asset retirement obligations.

In addition, the Municipality's implementation of the *PS 3280 Asset Retirement Obligations* has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

1. Significant accounting policies (continued):

(h) School Boards:

The Municipality collects taxation revenue on behalf of the school boards. 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.

(i) Asset retirement obligation:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that the future economic benefits will be given up; and
- (iv) 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. An additional liability for the removal of asbestos in several of the buildings owned by the Municipality has also been recognized based on estimated future expenses on closure of the site and post-closure care.

The liability is discounted using a present value calculation and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined in note 1(d).

(j) Pension and employee benefits:

The Municipality accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. Vacation entitlements are accrued for as entitlements are earned.

2. Change in accounting policies:

The Municipality adopted the following standards concurrently beginning January 1, 2022 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.

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

2. Change in accounting policies (continued):

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 denominated 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. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

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.

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. There was no impact from the adoption of this standard.

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

2. Change in accounting policies (continued):

PS 3280 Asset Retirement Obligations:

On January 1, 2022, the Municipality adopted Public Accounting Standard *PS 3280 Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section *PS 3270 Solid Waste Landfill Closure and Post-Closure Liability*. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

The Municipality removed the landfill liability that had been recognized to date and recognized an asset retirement obligation upon adoption of *PS 3280* on January 1, 2022, using the modified retrospective method. The liability represents the required closure and post-closure care for the landfill sites owned by the Municipality. The landfill site was purchased in 1929. The liability was measured as of the date of purchase of the site, when the liability was assumed. As of the date of adoption of the standard, the relevant discount rate is -2.33% per annum.

On January 1, 2022, the Municipality recognized an additional asset retirement obligation relating to several buildings owned by the Municipality that contain asbestos. The buildings were originally purchased between 1930 and 2000, and the liability was measured as of the date of purchase of the buildings when the liability was assumed. The buildings had an expected useful life of 40 years, and the estimate has not been changed since purchase.

In accordance with the provisions of this new standard, the Municipality reflected the following adjustments at January 1, 2022:

a) Landfill obligation:

- (i) A decrease of \$428,000 to Landfill Closure Liabilities to remove the liability recognized to date under the old standard, and an accompanying increase of \$428,000 to opening Accumulated Surplus.
- (ii) An increase of \$2,359,057 to the Landfill capital asset account, representing the original estimate of the obligation as of the commencement of the use of the landfill, and an accompanying increase of \$2,359,057 to Accumulated Amortization, representing 20 years of increased amortization for the landfill site had the liability originally been recognized.
- (iii) An asset retirement obligation in the amount of \$2,359,057, representing the original obligation discounted to the present value amount using a rate of -2.33%.
- (iv) A decrease to Opening Accumulated Surplus of \$2,359,057, as a result of the recognition of the liability and accompanying increase in depreciation expense and accretion expense for the years since purchase of the landfill site.

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

2. Change in accounting policies (continued):

b) Asbestos obligation:

- (i) An increase of \$297,909 to the buildings capital asset account, representing the original estimate of the obligation as of the date of purchase, and an accompanying increase of \$297,909 to accumulated amortization, representing 40 years of increased amortization had the liability originally been recognized.
- (ii) An asset retirement obligation in the amount of \$297,909, representing an estimate of the current obligation.
- (iii) A decrease to accumulated surplus of \$297,909, as a result of the recognition of the liability and accompanying increase in amortization expense.

Furthermore, the Municipality reflected the following adjustment at December 31, 2022:

- (i) A decrease of \$144,000 to Landfill Closure Liabilities to remove the adjustment to the liability recognized at December 31, 2022 under the old standard, and an accompanying decrease of \$144,000 to expenses.
- (ii) An increase to expenses of \$128,507, representing the annual accretion of the asset retirement obligation.

3. Due from Government of Canada:

Included in accounts receivable are government remittances of \$307,122 (2022 - \$332,604), which consists of amounts receivable for harmonized sales taxes.

4. Taxes and user charges receivable:

	2023	2022
Current	\$ 264,738	\$ 216,299
Past due	65,289	94,072
Penalties and interest	29,909	38,086
Allowance for doubtful accounts	(42,062)	(44,268)
	<u>\$ 317,874</u>	<u>\$ 304,189</u>

5. Credit facilities:

The Municipality has available a \$500,000 (2022 - \$500,000) demand line of credit. This unsecured line of credit bears interest at the bank's prime rate. At December 31, 2023, \$Nil (2022 - \$Nil) has been drawn against this facility.

The Municipality also has available a \$250,000 (2022 - \$250,000) demand line of credit for capital projects. This unsecured line of credit bears interest at the bank's prime rate. At December 31, 2023, \$230,048 (2022 - \$Nil) (note 11) has been drawn against this facility.

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

6. Investments:

	2023		2022	
	Cost	Market	Cost	Market
Money market portfolio	\$ 1,265,176	\$ 1,265,176	\$ 1,598,188	\$ 1,598,188

7. Long-term receivables:

A long-term receivable in the amount of \$2,949 (2022 - \$5,899) is outstanding from the Smooth Rock Falls Economic Development Corporation for reimbursement of its portion of the Fifth Street Paved Shoulder Project. The receivable is unsecured, interest-free, and is repayable over 10 years.

8. Accrued post-retirement benefits obligations:

The Municipality provides certain employee benefits which will require funding in future periods.

The Municipality does not have an accumulating sick leave plan that permits usage of sick leave accumulated in prior years or permits payout upon termination, death or retirement. The Municipality provides post-retirement non-pension benefits to eligible employees in retirement.

The Municipality pays the entire cost of the benefit program. The benefits are provided until the retiree's 65th birthday, or death, whichever comes first.

An actuarial estimate of future liabilities has been completed using the most recent actuarial valuation dated October 24, 2022 and forms the basis for the estimated liability reported in these consolidated financial statements.

The following table sets out the continuity of the accrued benefit obligation:

	2023		2022	
Accrued benefit obligation, beginning of year	\$	57,293	\$	61,189
Add: Benefit/service cost		2,896		2,750
Add: Interest		2,497		2,693
Less: Benefit payments		(11,307)		(11,764)
Add: Amortization of actuarial gains/losses		1,524		2,425
Accrued benefit obligation, end of year	\$	52,903	\$	57,293
Unamortized actuarial gains, beginning of year	\$	(23,757)	\$	5,779
Actuarial loss (gain) – amortization		1,524		2,425
Actuarial gain (loss) – recognized on revaluation		–		(31,961)
Unamortized actuarial gains (losses), end of year	\$	(22,233)	\$	(23,757)

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

8. Accrued post-retirement benefits obligations (continued):

The significant actuarial assumptions adopted in measuring the Municipality's accrued benefit obligations are as follows:

	2023	2022
Discount rate	3.25%	3.25%
Inflation rate	1.75%	1.75%
Salary escalation	2.75%	2.75%
Dental care escalation	3.75%	3.75%
Health care escalation	5.75%	5.75%

9. Deferred revenue – obligatory reserve fund:

The continuity of transactions within the deferred revenue are as described below:

	December 31, 2022	Contributions received	Interest earned	Amounts taken to revenue	December 31, 2023
Canada Community - Building Fund	\$ 116,679	\$ 88,030	\$ 2,991	\$ (181,845)	\$ 25,755

10. Asset retirement obligation:

The Municipality's asset retirement obligation consists of several obligations as follows:

a) Landfill obligation:

The Township owns a landfill site. The liability for the closure of operational sites and post-closure care has been recognized under *PS 3280 Asset Retirement Obligation*. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 25 years post this date.

The landfill is expected to reach its capacity in 28 years, and the estimated remaining capacity is 79,152 cubic meters, which is 46% of the site's total capacity.

Post-closure care for the landfill sites is estimated to be required for 25 years from the date of site closure. These costs were discounted to December 31, 2023 using a discount rate of -2.33% per annum.

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

10. Asset retirement obligation (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 or remediate it. Following the adoption of *PS 3280 Asset Retirement Obligation*, the Township recognized an obligation relating to the removal and post-removal care of the asbestos in these building as estimated at January 1, 2022. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate the asbestos containing material in accordance with current legislation.

The transition and recognition of asset retirement obligations involved an accompanying increase to the landfill and building capital assets and the restatement of prior year numbers (see note 2).

Changes to the asset retirement obligation in the year are as follows:

Asset Retirement Obligation	Landfill closure	Asbestos removal	Balance at December 31, 2023
Opening balance	\$ 2,487,564	\$ 297,909	\$ 2,785,473
Inflationary increase	79,612	–	79,612
Closing balance	\$ 2,567,176	\$ 297,909	\$ 2,865,085

Asset Retirement Obligation	Landfill closure	Asbestos removal	Balance at December 31, 2022
Opening balance	\$ –	\$ –	\$ –
Adjustment on adoption of the asset retirement obligation standard (note 2)	2,359,057	297,909	2,656,966
Opening balance as restated	2,359,057	297,909	2,656,966
Inflationary increase	128,507	–	128,507
Closing balance	\$ 2,487,564	\$ 297,909	\$ 2,785,473

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

11. Net long-term debt:

The balance owing of long-term debt is comprised of the following:

	2023	2022
Loan payable to Infrastructure Ontario, payable in semi-annual installments of blended principal and interest at a rate of 3.33%, due in 2037	\$ 1,222,065	\$ 1,292,730
Loan payable to Infrastructure Ontario, payable in semi-annual installments of blended principal and interest at a rate of 2.63%, due in 2027	64,194	81,483
Loan payable to Infrastructure Ontario, payable in semi-annual installments of blended principal and interest at a rate of 2.54%, due in 2026	100,838	132,790
Loan payable to Infrastructure Ontario, payable in semi-annual installments of blended principal and interest at a rate of 3.13%, due in 2044	1,142,824	1,182,082
Loan payable to Infrastructure Ontario, payable in semi-annual installments of blended principal and interest at a rate of 2.27%, due in 2024	9,839	29,186
Loan payable to Infrastructure Ontario, payable in semi-annual installments of blended principal and interest at a rate of 2.57%, due in 2029	139,306	162,598
Loan payable to Infrastructure Ontario, payable in semi-annual installments of blended principal and interest at a rate of 2.06%, due in 2024	61,477	101,424
Loan payable to Infrastructure Ontario, payable in semi-annual installments of blended principal and interest at a rate of 2.54%, due in 2050	1,203,004	1,234,499
Advance on construction loan payable to Infrastructure Ontario, Payable in monthly interest-only instalments a variable interest rate, due in 2027	3,135,453	755,569
Loan payable to Infrastructure Ontario, payable in semi-annual installments of blended principal and interest at a rate of 4.45%, due in 2033	577,277	601,482
Loan payable to Royal Bank of Canada, payable in Monthly installments of blended principal and interest at a rate of 5.60%, due in 2028	230,048	–
	\$ 7,886,325	\$ 5,573,843

The principal repayments payable in the next five years and thereafter are as follows:

2024	\$351,307
2025	330,154
2026	320,816
2027	3,423,037
2028 and thereafter	3,461,011

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

12. Tangible capital assets:

Cost	Balance at December 31, 2022	Disposals	Additions	Balance at December 31, 2023
Land	\$ 2,030,765	\$ -	\$ -	\$ 2,030,765
Land improvements	748,766	-	-	748,766
Buildings	15,370,999	-	573,219	15,944,218
Vehicles	696,558	-	-	696,558
Equipment	4,749,533	-	434,067	5,183,600
Roads, bridges and culverts	22,262,723	-	4,609,503	26,872,226
Water and sewer	8,899,081	-	884,958	9,784,039
Total	\$ 54,758,425	\$ -	\$ 6,501,747	\$ 61,260,172

Accumulated Amortization	Balance at December 31, 2022	Disposals	Amortization	Balance at December 31, 2023
Land improvements	\$ 263,786	\$ -	\$ 35,064	\$ 298,850
Buildings	7,464,734	-	317,359	7,782,093
Vehicles	565,287	-	55,238	620,525
Equipment	3,507,859	-	245,750	3,753,609
Roads, bridges and culverts	10,492,830	-	823,965	11,316,795
Water and sewer	6,231,902	-	145,814	6,377,716
Total	\$ 28,526,398	\$ -	\$ 1,623,190	\$ 30,149,588

	Net book value, December 31, 2022	Net book value, December 31, 2023
Land	\$ 2,030,765	\$ 2,030,765
Land improvements	484,980	449,916
Buildings	7,906,265	8,162,125
Vehicles	131,271	76,033
Equipment	1,241,674	1,429,991
Roads, bridges and culverts	11,769,893	15,555,431
Water and sewer	2,667,179	3,406,323
Total	\$ 26,232,027	\$ 31,110,584

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

12. Tangible capital assets (continued):

Cost	Balance at December 31, 2021	Disposals	Additions	Balance at December 31, 2022
Land	\$ 1,873,932	\$ -	\$ 156,833	\$ 2,030,765
Land improvements	704,456	-	44,310	748,766
Buildings	15,097,081	-	273,918	15,370,999
Vehicles	601,515	-	95,043	696,558
Equipment	4,527,723	-	221,810	4,749,533
Roads, bridges and culverts	19,050,869	-	3,211,854	22,262,723
Water and sewer	8,766,600	-	132,481	8,899,081
Total	\$ 50,622,176	\$ -	\$ 4,136,249	\$ 54,758,425

Accumulated Amortization	Balance at December 31, 2021	Disposals	Amortization	Balance at December 31, 2022
Land improvements	\$ 228,723	\$ -	\$ 35,063	\$ 263,786
Buildings	7,161,705	-	303,029	7,464,734
Vehicles	489,395	-	75,892	565,287
Equipment	3,290,569	-	217,290	3,507,859
Roads, bridges and culverts	9,805,835	-	686,995	10,492,830
Water and sewer	6,097,935	-	133,967	6,231,902
Total	\$ 27,074,162	\$ -	\$ 1,452,236	\$ 28,526,398

	Net book value, December 31, 2021	Net book value, December 31, 2022
Land	\$ 1,873,932	\$ 2,030,765
Land improvements	475,733	484,980
Buildings	7,935,376	7,906,265
Vehicles	112,120	131,271
Equipment	1,237,154	1,241,674
Roads, bridges and culverts	9,245,034	11,769,893
Water and sewer	2,668,665	2,667,179
Total	\$ 23,548,014	\$ 26,232,027

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

13. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2023	2022 (restated – note 2)
Surplus:		
Invested in tangible capital assets	\$ 23,224,259	\$ 20,658,184
Unfunded:		
Employee benefit obligations	(52,903)	(57,293)
Asset retirement obligation	(2,865,085)	(2,785,473)
Total surplus	20,306,271	17,815,418
Reserves set aside for specific purpose by Council:		
Working Funds	60,271	31,976
Fire Department	50,000	50,000
Administration	50,000	50,000
Road Infrastructure	100,337	100,337
Mattagami Centre	176,000	176,000
Landfill	398,406	398,406
Arena	25,000	25,000
Public Works	57,846	57,846
Water Infrastructure	150,000	150,000
Sewer Infrastructure	100,000	100,000
Tax Stabilization	50,000	50,000
Land and Industrial Park Development	206,531	206,531
Seniors' Housing	360,000	360,000
	1,784,391	1,756,096
Accumulated surplus	\$ 22,090,662	\$ 19,571,514

14. Budget:

The chart below reconciles the approved operating and capital budgets of the Municipality to the budget figures reported on the consolidated statement of operations and accumulated surplus:

Approved budget:	
Total revenue per budget	\$ 6,937,208
Less:	
Reserve transfers	(1,304,892)
Budgeted revenue per financial statements	\$ 5,632,316

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

15. Contributions to unconsolidated joint boards:

The following contributions were made by the Municipality to these joint boards:

	2023	2022
Porcupine Health Unit	\$ 57,512	\$ 47,080
District of Cochrane Social Services Administration Board	308,917	312,431
	\$ 366,429	\$ 359,511

16. Commitments:

With respect to the sewage and water works systems servicing the Municipality, the following charges for operating costs which were billed to the Municipality by Ontario Clean Water Agency, the service provider for these systems, are included in the consolidated statement of operations and accumulated surplus:

	2023	2022
Sewage disposal system	\$ 213,773	\$ 163,581
Waterworks system	418,589	374,488
	\$ 632,362	\$ 538,069

The Municipality has entered into a new agreement with the Ontario Clean Water Agency that expires on December 31, 2030 to provide water and sewage maintenance service for an annual cost of approximately \$404,428. The cost of the services is adjusted annually for inflation and for any additional items resulting from a change in the scope of services.

The Municipality has entered into a police services contract with the Province of Ontario for the provision of police services within municipal boundaries. The contract is effective until December 31, 2026. During the year, \$273,898 (2022 - \$289,619) was expended on police services.

Following amalgamation of the Township of Kendry with the Town of Smooth Rock Falls, the Municipality became responsible for an agreement with the Ministry of the Environment for the installation of sewage rate on benefiting property owners and also a service connection charge over a period of 40 years.

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

17. Pension agreements:

OMERS provides pension services to more than 500,000 active and retired members and approximately 1,000 employers. 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 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 going concern actuarial liabilities of \$136,185 million (2022 - \$130,306 million) in respect of benefits accrued for service with total going concern actuarial assets at that date of \$131,983 million (2022 - \$123,628 million) indicating a going concern actuarial deficit of \$4,202 million (2022 - \$6,678 million). Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees and the Board's share is not determinable. As a result, the Board does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed to OMERS for 2023 was \$100,023 (2022 - \$94,536) for current service.

18. Operations of school boards:

During the year, the following taxation revenue was raised and remitted to the school boards:

	2023	2022
Taxation	\$ 502,438	\$ 501,934

19. Trust funds:

The Trust Funds administered by the Municipality amounting to \$63,336 (2022 - \$54,070) have not been included on the consolidated statement of financial position nor have their operations been included on the consolidated statement of operations and accumulated surplus.

20. Public sector salary disclosure:

During 2023, one employee was paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Municipality.

21. Seniors' housing development:

The Municipality is currently undertaking development activities with respect to the construction and sale and/or lease of seniors' housing in the community. The Municipality's intention is to recover the cost of these development activities through the future marketing of housing units. The current year's financial statements do not include a receivable for future reimbursement of these costs as the timing and amount cannot be reasonably estimated at this time.

22. Comparative information:

Certain comparative information has been reclassified to conform to current year presentation.

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

23. Segmented information:

The Municipality provides a range of services to its citizens, including police, fire, and transportation, recreational and environmental. For management reporting purposes the Municipality's operations and activities are organized and reported by department. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipality 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:

(a) General Government:

Includes corporate services and governance of the Municipality. General government is responsible for human resource management. Support to Council for policy development, by-law development in compliance with the Municipal Act, tax billing and collection responsibilities, financial management reporting, monitoring and overall budget status is provided as well as frontline reception and customer service.

(b) Protection Services:

Includes policing, fire protection, protective inspection and control and emergency measures. The mandate of the police services contract is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. Fire protection includes detection, extinguishing and suppression services; and prevention education and training programs.

Inspection and control includes building inspection, by-law enforcement and dog control services.

(c) Transportation Services:

This department provides the winter and summer maintenance, the repair and the construction of the municipal roads system including bridges and culverts.

(d) Environmental Services:

Includes the management and maintenance of water and wastewater system, the landfill site, transfer stations, and the waste collection system that serves the Municipality.

(e) Health Services:

The Municipality provides ambulance services through the District Social Services Board, Cemetery Services and a range of public health services through the Porcupine Health Unit.

(f) Social and Family Services:

The services are provided indirectly by the Municipality through the District Social Services Board and include family and children's services, housing services and seniors' clubs.

(g) Recreation and Cultural Services:

Provides recreation and leisure programs and facilities, including community halls, libraries, parks, recreation fields and arena. It also provides building maintenance services to all municipal facilities.

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

23. Segmented information (continued):

(h) Planning and Development:

Manages rural development for business interest, environmental concerns, heritage matters, local neighbourhoods and community development. It facilitates economic development by providing services for the approval of all land development plans, the application and enforcement of the zoning by-law and official plan, and the provision of geographic information services.

For each segment separately reported in the schedule below, the segment revenue and expenditures 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. These municipal services are funded primarily by taxation such as property tax revenue. Taxation and payments-in-lieu of taxes are apportioned to these services based on the net surplus. Certain government transfers, transfer from other funds, and other revenue have been apportioned based on a percentage of budgeted expenses.

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.

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

23. Segmented Information (continued):

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	2023 Total
Revenues:									
Fees and user charges	\$ 3,705	\$ 1,675	\$ -	\$ 1,054,676	\$ 29,914	\$ -	\$ 58,440	\$ 5,215	\$ 1,153,625
Province of Ontario grants	819,626	5,363	1,094,110	850,150	-	-	477,028	3,955	3,250,232
Government of Canada grants	94,027	-	1,559,590	-	-	-	131,206	-	1,784,823
Investment income	101,423	-	-	-	-	-	-	-	101,423
Other	114,625	24,450	204	77,825	700	-	55,955	-	273,759
	1,133,406	31,488	2,653,904	1,982,651	30,614	-	722,629	9,170	6,563,862
Expenses:									
Salaries, wages and benefits	462,225	133,132	487,891	143,460	6,352	-	251,237	122,766	1,607,063
Materials	239,294	59,564	320,627	373,415	19,584	-	377,303	83,429	1,473,216
Contracted services	263,626	312,970	90,111	718,466	67,197	308,917	43,701	61,694	1,866,682
Rents, financial expenses and other	229,893	-	-	-	-	-	-	-	229,893
Amortization of tangible capital assets	106,366	69,610	898,079	321,353	8,179	6,360	213,243	-	1,623,190
	1,301,404	575,276	1,796,708	1,556,694	101,312	315,277	885,484	267,889	6,800,044
Annual surplus (deficit) before the undernoted	(167,998)	(543,788)	857,196	425,957	(70,698)	(315,277)	(162,855)	(258,719)	(236,182)
Asset retirement obligation inflationary increase	-	-	-	79,612	-	-	-	-	79,612
Annual surplus (deficit)	(167,998)	(543,788)	857,196	346,345	(70,698)	(315,277)	(162,855)	(258,719)	(315,794)
Funded through:									
Taxation									2,755,330
Annual surplus									\$ 2,439,536

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

23. Segmented Information (continued):

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	2022 Total
Revenues:									
Fees and user charges	\$ 25,409	\$ 1,500	\$ -	\$ 1,064,685	\$ 26,414	\$ -	\$ 59,587	\$ 2,695	\$ 1,180,290
Province of Ontario grants	886,172	8,747	656,692	84,904	-	-	86,919	3,955	1,727,389
Government of Canada grants	436,461	-	905,666	-	-	-	-	-	1,342,127
Investment income	13,993	-	-	-	-	-	-	-	13,993
Other	222,503	50,542	1,200	95,583	675	-	54,726	-	425,229
	1,584,538	60,789	1,563,558	1,245,172	27,089	-	201,232	6,650	4,689,028
Expenses:									
Salaries, wages and benefits	558,016	68,169	476,438	113,472	4,620	-	245,148	119,262	1,585,125
Materials	279,755	44,606	336,676	309,310	12,005	-	387,479	218,142	1,587,973
Contracted services	208,335	331,140	123,440	673,730	57,789	312,431	53,236	43,669	1,803,770
Rents, financial expenses and other	140,020	-	-	-	-	-	-	-	140,020
Amortization of tangible capital assets	104,680	74,492	764,700	310,303	8,179	6,360	183,522	-	1,452,236
	1,290,806	518,407	1,701,254	1,406,815	82,593	318,791	869,385	381,073	6,569,124
Annual surplus (deficit) before the undernoted	293,732	(457,618)	(137,696)	(161,643)	(55,504)	(318,791)	(668,153)	(374,423)	(1,880,096)
Asset retirement obligation inflationary increase	-	-	-	128,507	-	-	-	-	128,507
Annual surplus (deficit)	293,732	(457,618)	(137,696)	(290,150)	(55,504)	(318,791)	(668,153)	(374,423)	(2,008,603)
Funded through:									
Taxation									2,665,107
Annual surplus									\$ 656,504

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Schedule of Library Board Operations

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

	Budget 2023	Actual 2023	Actual 2022
Revenue:			
Municipal contribution	\$ 106,910	\$ 102,930	\$ 88,873
Expenses:			
Salaries and wages	60,950	62,502	52,830
Employee benefits	22,560	21,599	18,510
Books	9,000	5,334	7,271
Office and other	12,400	10,273	7,330
Telephone	2,000	3,222	2,932
	106,910	102,930	88,873
Excess of revenue over expenses	\$ -	\$ -	\$ -

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Schedule of Planning Board Operations

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

	Budget 2023	Actual 2023	Actual 2022
Revenue:			
Municipal contribution	\$ 65,560	\$ 58,141	\$ 37,020
Grants	4,900	3,955	3,955
Other revenue	1,400	5,215	2,695
	71,860	67,311	43,670
Expenses:			
Professional fees	60,100	59,151	43,670
Salaries and wages	11,760	8,160	-
	71,860	67,311	43,670
Excess of revenue over expenses	\$ -	\$ -	\$ -