Town of Smooth Rock Falls

Year-End Audit Report
2024 Fiscal Year

Presentation to Town Council

—

June 16th, 2025

01 Audit Highlights

- Our audit procedures were executed in accordance with Canadian Auditing Standards and are based on a materiality of $204,000
  - Calculated as 3% of prior year's expenses
  - Results in a posting threshold of $10,000

- We are prepared to issue an unqualified audit opinion on the Town's financial statements pending:
  - Council approval of the financial statements
  - Receipt of the management representation letter
  - Completion of final audit procedures

01 Audit Highlights

Topic	Response
Disagreements or difficulties with management	No matters to report
Internal control findings	No matters to report
Indicators of fraud	No matters to report
Indicators of contravention of regulation or legislation	No matters to report
Significant unusual transactions	No matters to report
Uncorrected audit differences	No matters to report
Corrected audit differences	No matters to report

02 Financial Statement Overview

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

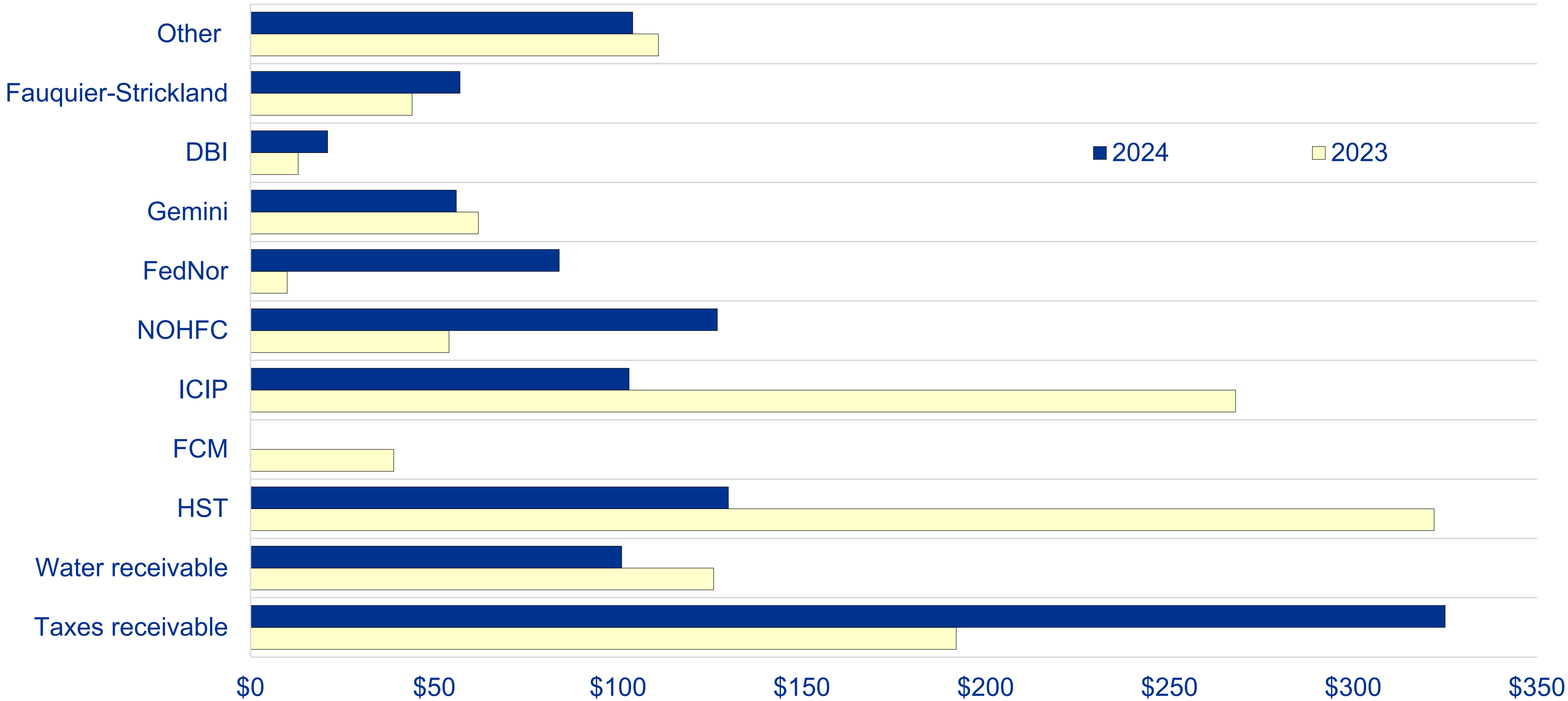
Consolidated Statement of Financial Position

December 31, 2024, with comparative information for 2023

		2024		2023
Financial assets				
Cash and cash equivalents	$	474,950	$	-
Due from Government of Canada (note 3)		291,689		543,176
Due from Province of Ontario		152,185		158,990
Taxes and user charges receivable (note 4)		425,243		317,874
Accounts receivable		238,725		220,476
Investments (note 6)		1,112,277		1,265,176
Long-term receivables (note 7)		2,949		2,949
		2,698,018		2,508,641
Financial liabilities				
Bank indebtedness (note 5)		-		118,627
Accounts payable and accrued liabilities		1,146,584		637,979
Accrued post-retirement benefit obligations (note 8)		49,405		52,903
Deferred revenue		61,830		67,894
Deferred revenue - obligatory reserve funds (note 9)		24,181		25,755
Asset retirement obligation (note 10)		3,839,466		2,865,085
Long-term debt (note 11)		7,609,266		7,886,325
		12,730,732		11,654,568
Net debt		(10,032,714)		(9,145,927)
Non-financial assets				
Tangible capital assets (note 12)		31,931,687		31,110,584
Prepaid expenses		117,642		126,005
		32,049,329		31,236,589
Commitments (note 16)				
Accumulated surplus (note 13)	$	22,016,615	$	22,090,662

- Cash (including bank indebtedness) and investment balances increased from $1.15 million in 2023 to $1.58 million in 2024, reflecting:
  - Net accounting surplus for the year (adjusted for working capital items) +$3.3 million
  - Capital additions, net of disposals -$2.6 million
  - Principal repayments on long-term debt -$0.3 million
- Accounts receivable decreased by $133K, primarily due to lower capital grants and HST receivable in 2024 (reflecting lower capital spending), offset by increased taxes receivable
- Investments consist of high interest savings accounts held with the Royal Bank
  - Landfill closure $433K
  - General savings $679K

02 Accounts Receivable (in thousands)



02 Financial Statement Overview

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	32,049,329	31,236,589
Commitments (note 16)		
Accumulated surplus (note 13)	$ 22,016,615	$ 22,090,662

- Accounts payable and accrued liabilities increased by $509K, primarily due to:
  - Large capital invoices outstanding in 2024 but not in 2023 — +$254K
  - OCWA billings for Q4 — +$102K
- Long-term debt decreased by $277K, reflecting principal repayments
- Tangible capital assets increased by $820K, reflecting $2.57 million in capital additions offset by $1.75 million in amortization expense
  - Industrial park development — $1,441K
  - Arena upgrades — $522K
  - Sixth Street watermain — $225K

02 Financial Statement Overview

THE CORPORATION OF THE TOWN OF SMOOTH ROCK FALLS

Consolidated Statement of Operations and Accumulated Surplus

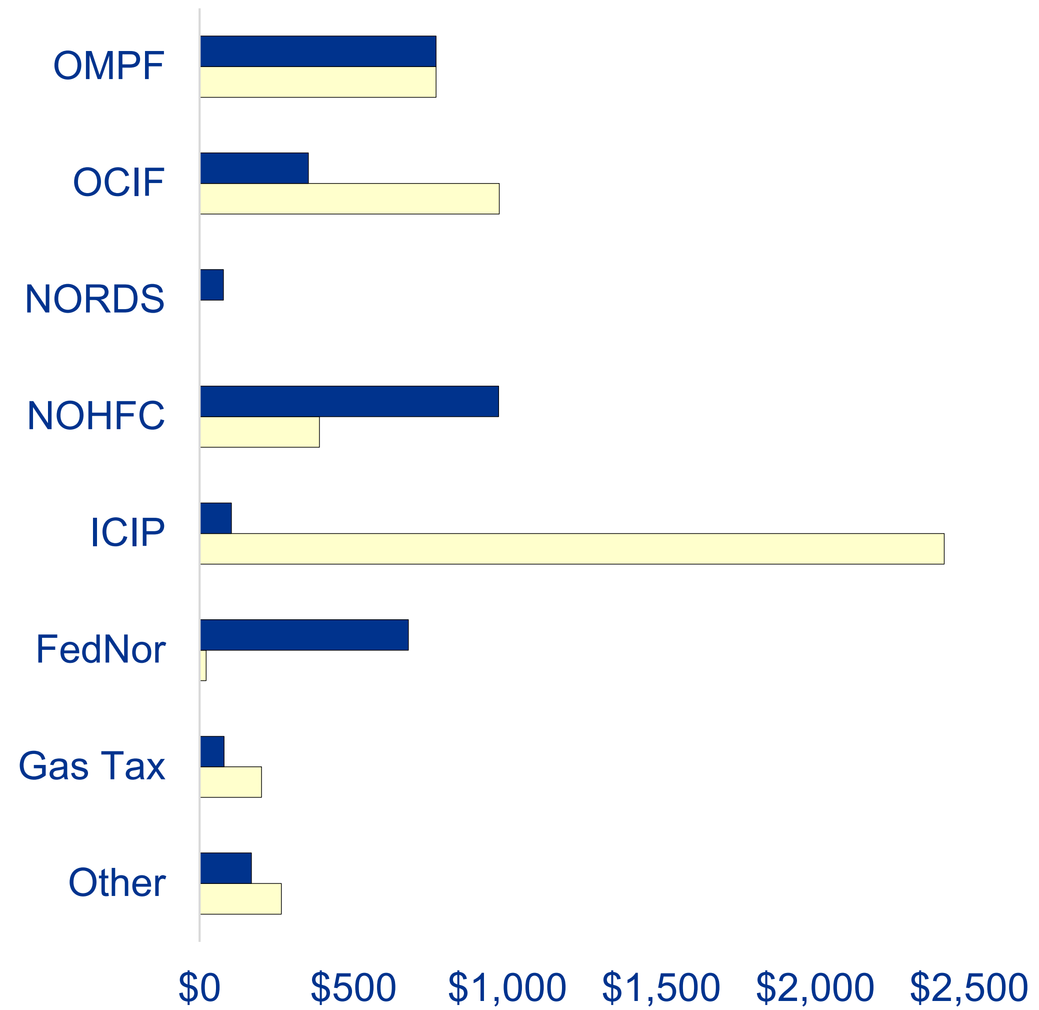
Year ended December 31, 2024, with comparative information for 2023

	Budget 2024	Actual 2024	Actual 2023
	(note 14)		
Revenues:			
Taxation	$ 2,938,054	$ 2,940,541	$ 2,755,330
Fees and user charges	1,135,882	1,194,564	1,153,625
Province of Ontario grants	786,435	2,335,354	3,250,232
Government of Canada grants	193,500	861,769	1,784,823
Investment income	58,150	92,433	101,423
Other	289,660	397,120	273,759
Total revenues	5,401,681	7,821,781	9,319,192
Expenses:			
General government	1,074,861	1,473,959	1,301,404
Protection to persons and property	536,860	464,268	575,276
Transportation services	917,190	1,753,933	1,796,708
Environmental services	1,061,330	1,718,678	1,477,082
Health services	80,540	81,222	101,312
Social and family services	344,410	342,607	315,277
Recreation and cultural services	646,160	908,386	885,484
Planning and development	367,053	178,394	267,889
Total expenses	5,028,404	6,921,447	6,720,432
Annual surplus before the undernoted	373,277	900,334	2,598,760
Asset retirement obligation inflationary increase	-	974,381	79,612
Annual surplus (deficit)	373,277	(74,047)	2,519,148
Accumulated surplus, beginning of year	22,090,662	22,090,662	19,571,514
Accumulated surplus, end of year	$ 22,463,939	$ 22,016,615	$ 22,090,662

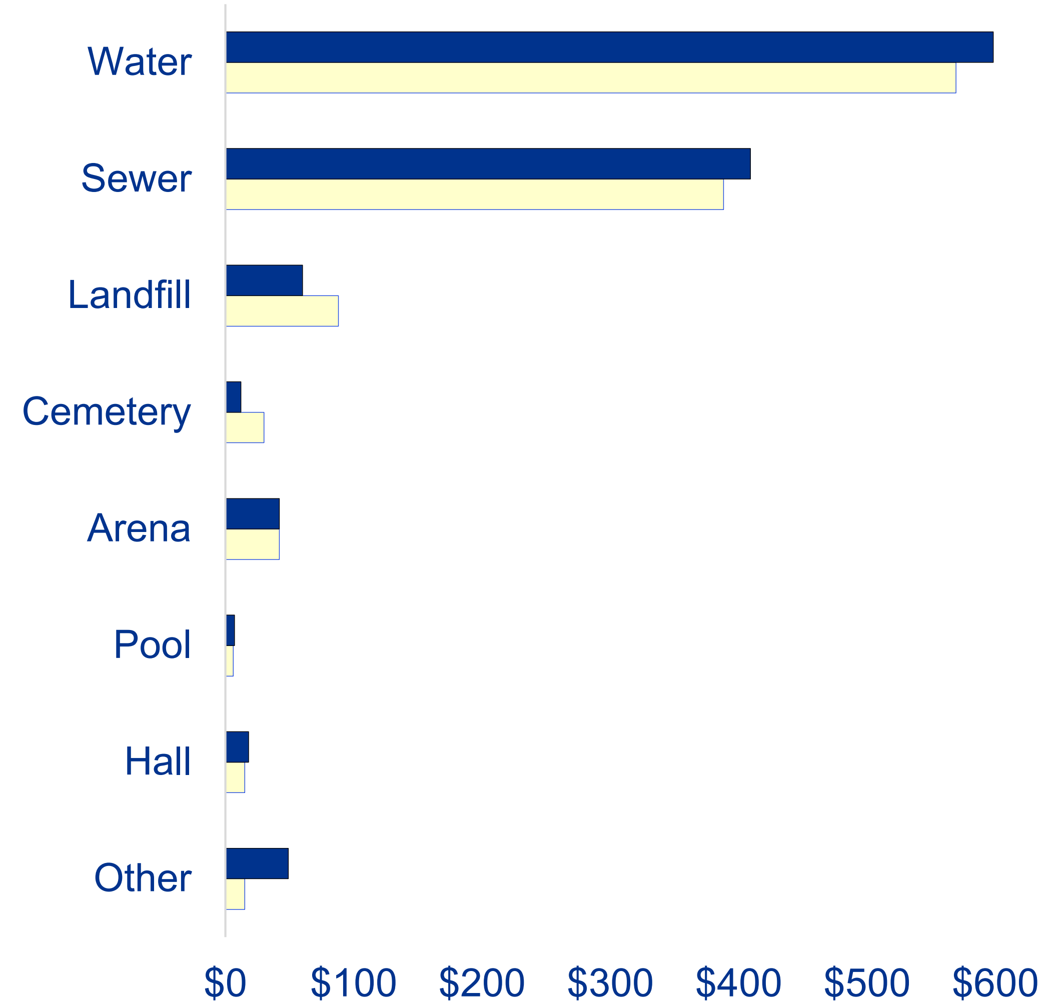
- Total revenues increased by $1.2 million (+19.9%), primarily due to higher grant revenues for capital projects and increased landfill tipping fees
- Total expenses increased by $595K (+10.0%), reflecting:
  - Increased amortization expense (+$327K)
  - Increased environmental services contractcosts (+$115K)

02 Financial Statement Overview

Grant Revenue (in thousands)

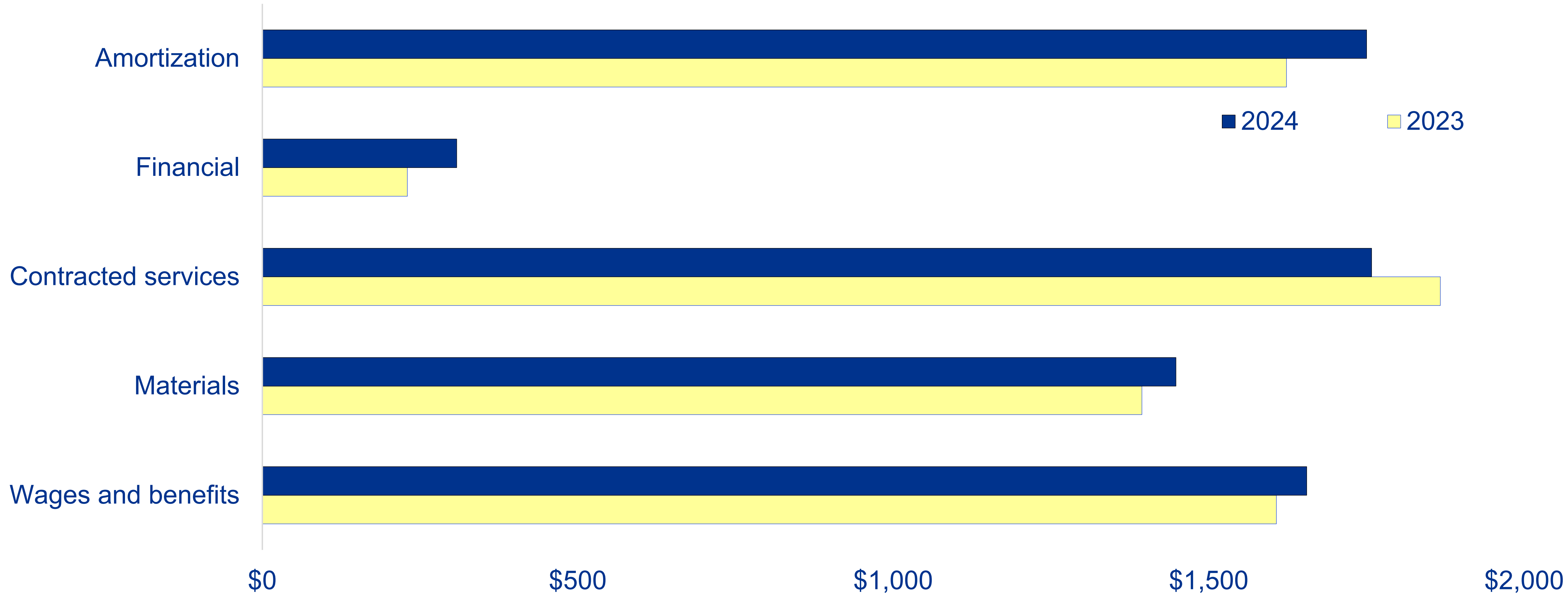


User Fees (in thousands)



02 Financial Statement Overview

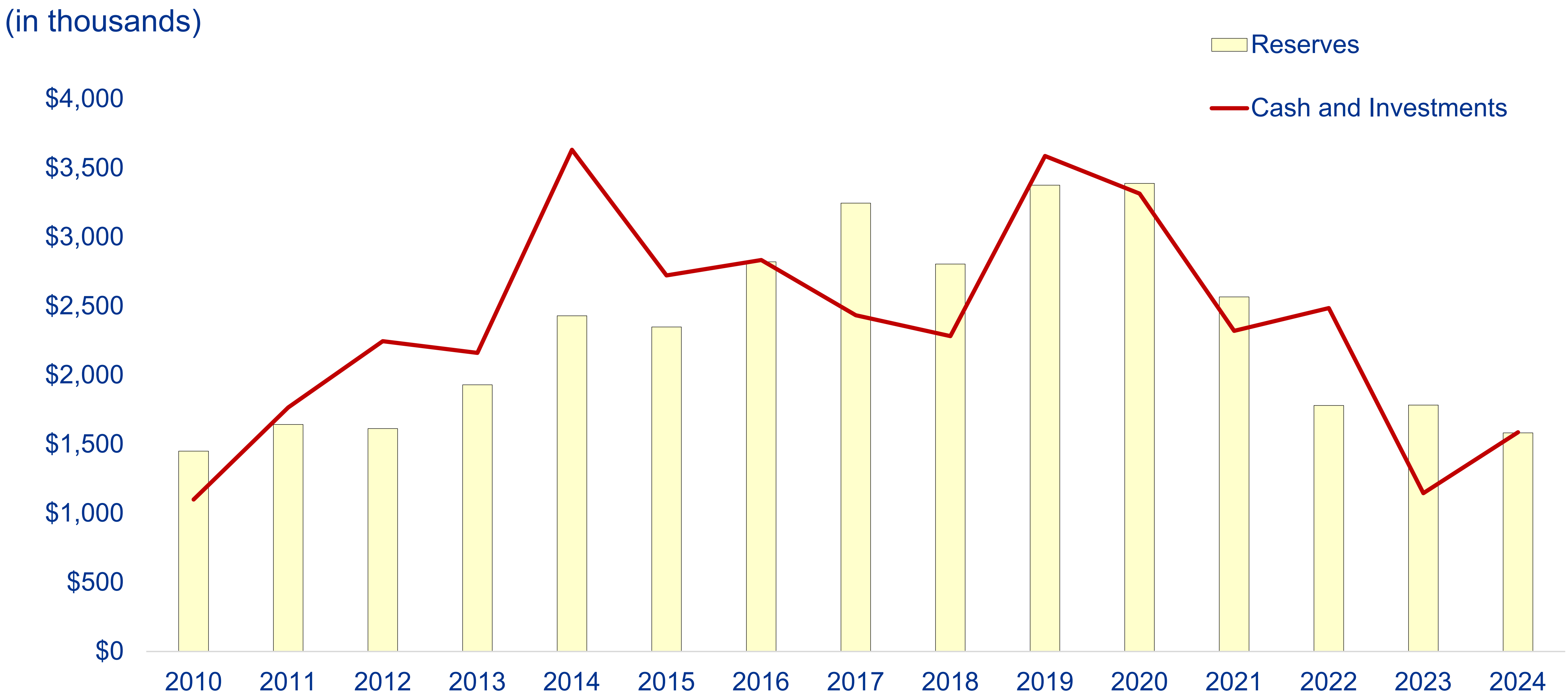
Operating Expenses (in thousands)



02 Financial Statement Overview

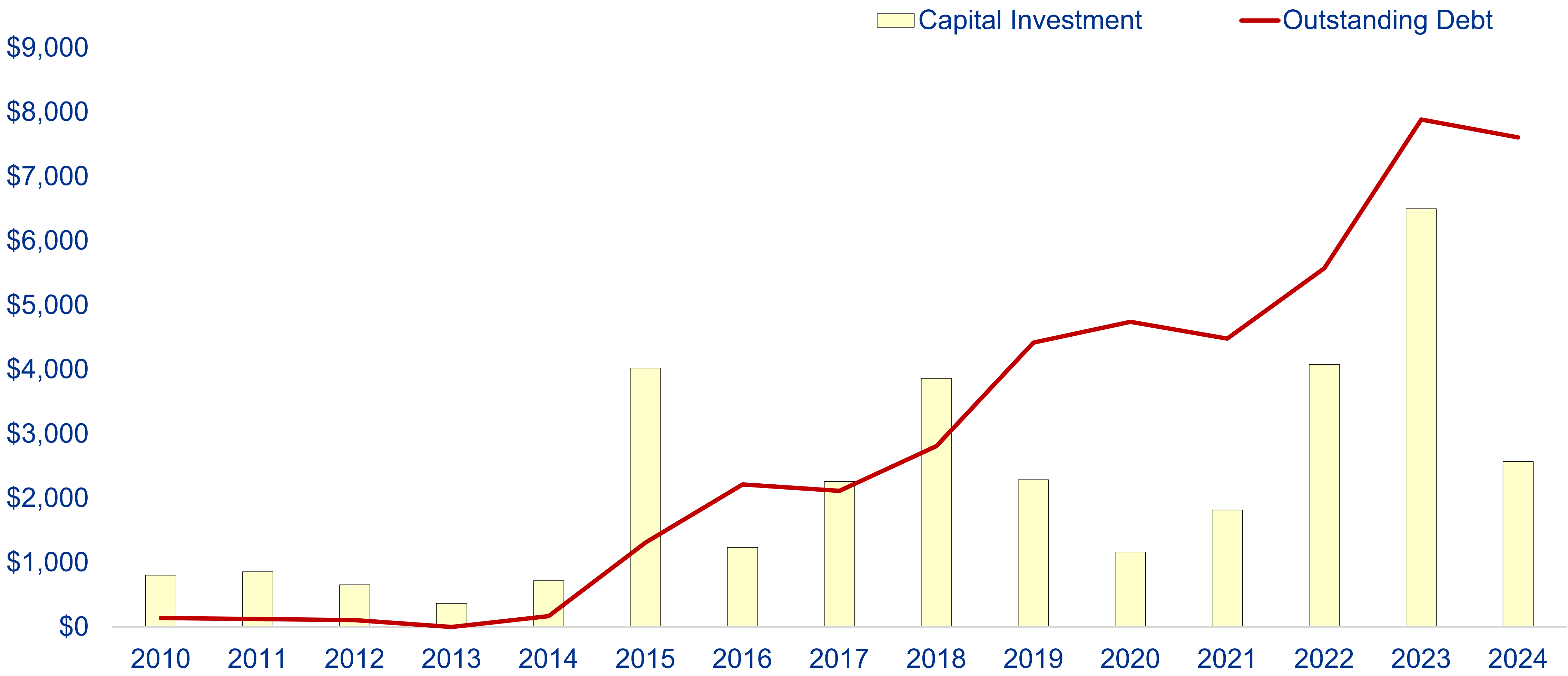
	2024	2023
Total reported surplus (deficit) per Statement of Operations	($74)	$2,519
Add (less): Non-cash items:		
• Amortization expense	$1,750	$1,623
• Asset retirement obligation	$974	$80
Add (less): Budget items not included in operating surplus		
• Net reserve transfers	$201	($28)
• Capital additions	($2,572)	($6,501)
• Principal repayment on long-term debt	($277)	($297)
• Proceeds on issuance of long-term debt	–	$2,609
Surplus (deficit)	**$2**	**$5**

03 Financial Review



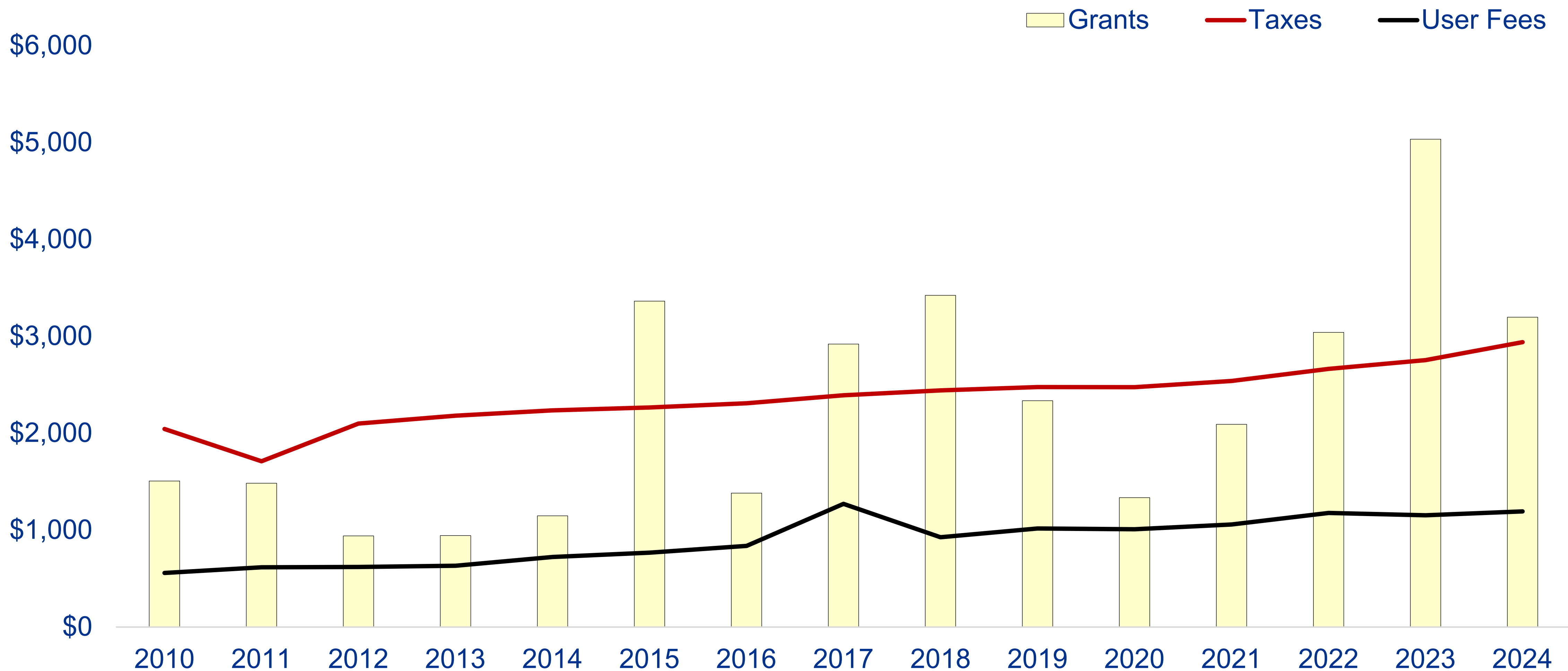
03 Financial Review

(in thousands)

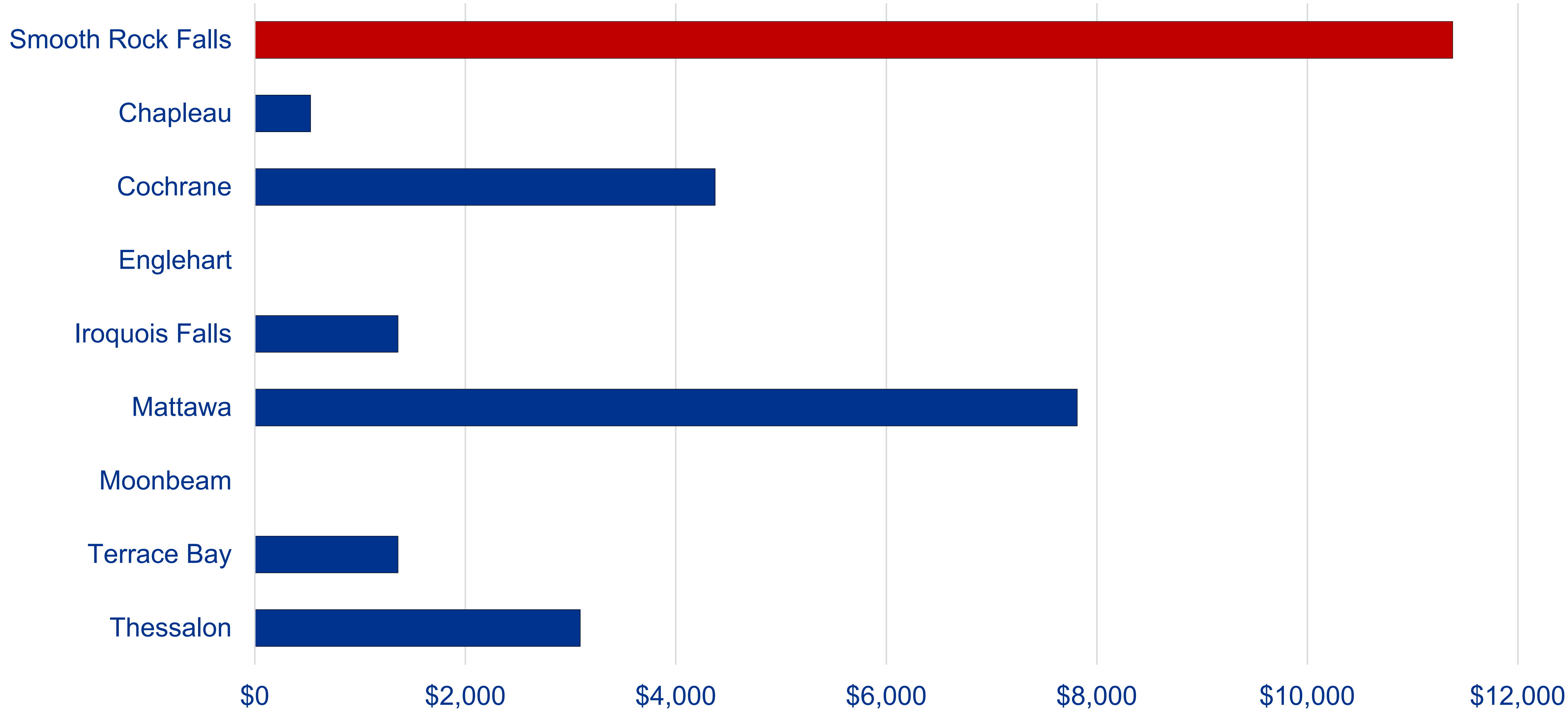


03 Financial Review

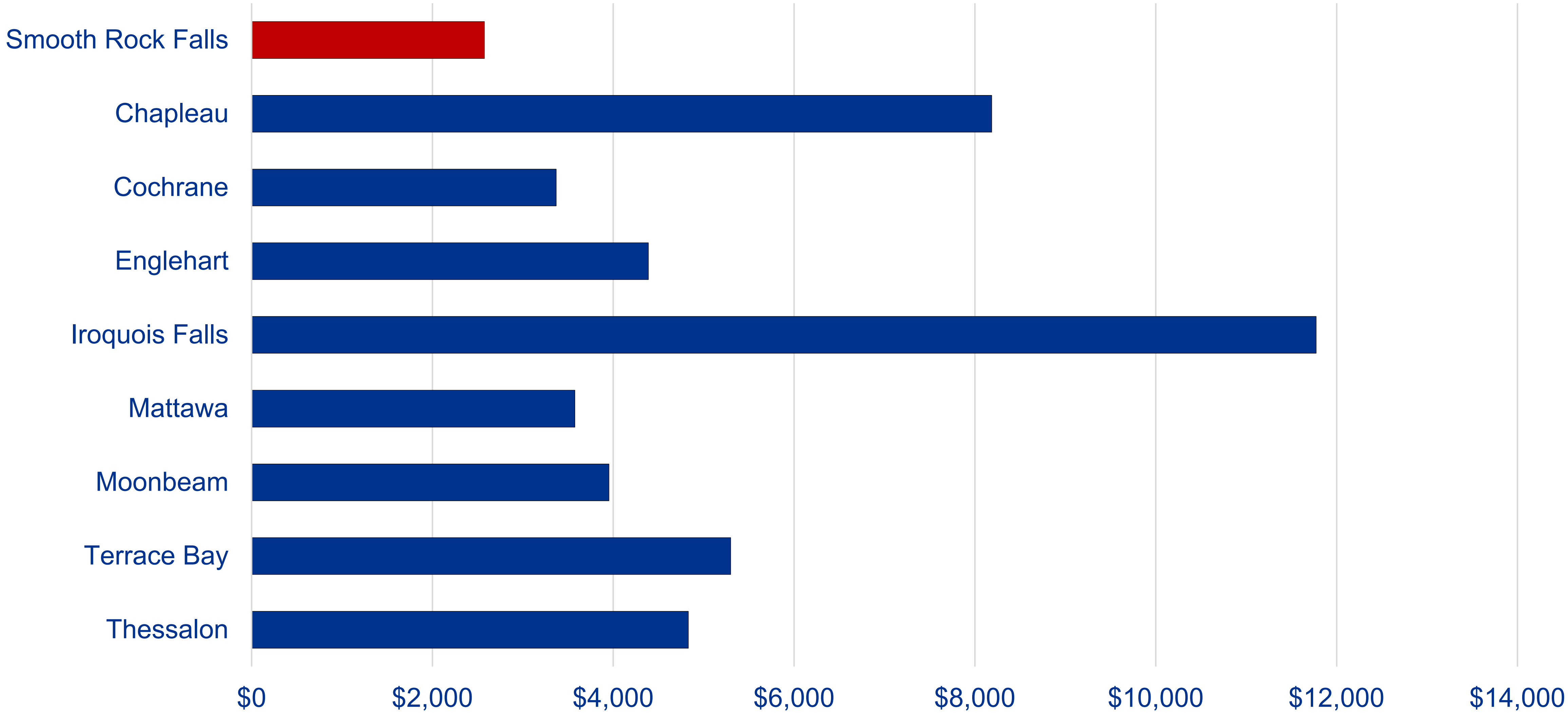
(in thousands)



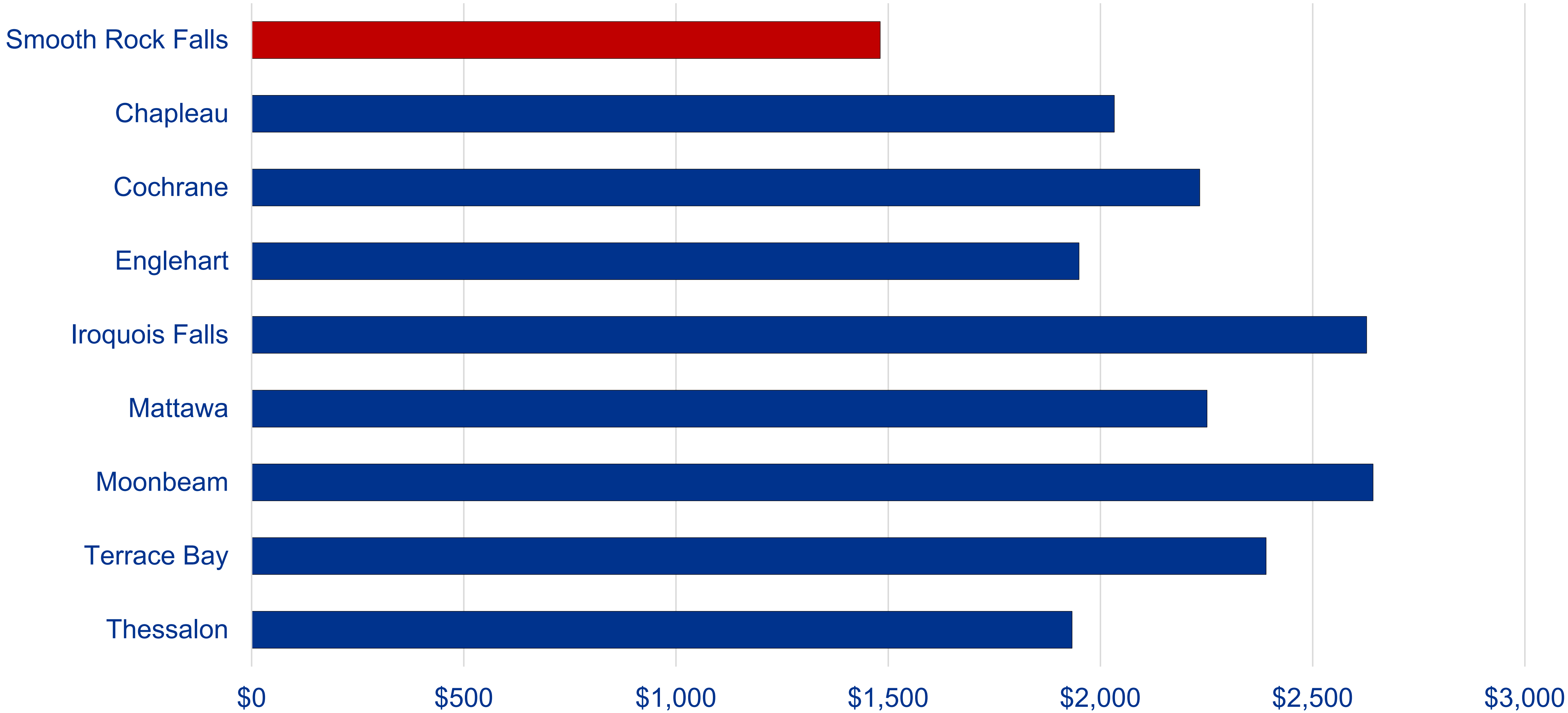
04 Debt Per Household (2023)



04 Reserves and Reserve Funds Per Household (2023)



04 Residential Taxes Per Household (2023)



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