

Consolidated financial statements of
Municipality of Casselman

December 31, 2024

Municipality of Casselman

December 31, 2024

Table of contents

| | Page |
|---|--------|
| Independent Auditor's Report | 1 – 2 |
| Consolidated statement of operations | 3 |
| Consolidated statement of financial position | 4 |
| Consolidated statement of change in net debt | 5 |
| Consolidated statement of remeasurement gains and losses | 6 |
| Consolidated statement of cash flow | 7 |
| Notes to the consolidated financial statements | 8 – 15 |
| Schedules | |
| Consolidated tangible capital assets – Schedule 1 | 16 |
| Consolidated accumulated surplus – Schedule 2 | 17 |
| Consolidated statement of change in reserves and reserve funds – Schedule 3 | 18 |
| Consolidated statement of expenses by object – Schedule 4 | 19 |

To the members of Council, inhabitants and ratepayers of
Municipality of Casselman

Opinion

We have audited the consolidated financial statements of Municipality of Casselman (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, change in net debt and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2024, and the results of its operations, change in its net debt and its cash flow for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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 Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality'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 GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 Municipality'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 Municipality'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 Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hawkesbury ON
June 10, 2025

Chartered Professional Accountants
Licensed Public Accountants

MNP s.r.l./LLP

300, rue McGill, Hawkesbury ON, K6A 1P8
300 McGill Street, Hawkesbury ON, K6A 1P8

Tél. : 613.632.4178 Téléc. : 613.632.7703
T: 613.632.4178 F: 613.632.7703

Municipality of Casselman
Consolidated statement of operations
Year ended December 31, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|----------------|--------------------|----------------|
| | \$ | \$ | \$ |
| Revenues | | | |
| Taxation – all classes | 8,708,758 | 8,940,122 | 8,184,802 |
| Less: amounts received for counties and school boards (Note 3) | (4,428,434) | (4,607,005) | (4,203,347) |
| Net taxation for municipal purposes | 4,280,324 | 4,333,117 | 3,981,455 |
| User fees | 4,272,788 | 4,794,568 | 4,875,396 |
| Transfer payments | | | |
| Government of Canada | 282,051 | 333,572 | 200,544 |
| Province of Ontario | 1,657,715 | 1,277,281 | 991,754 |
| Other municipalities | 71,479 | 132,396 | 121,330 |
| Licenses and permits | 275,100 | 330,800 | 174,755 |
| Investment income | 394,369 | 378,560 | 417,314 |
| Penalties and interest | 25,000 | 48,459 | 37,649 |
| Fines | 21,000 | 6,173 | 15,641 |
| Rent | 715,462 | 761,571 | 676,617 |
| Sales of materials | 58,250 | 43,189 | 21,574 |
| Donations | 201,500 | 3,652 | 209,432 |
| | 12,255,038 | 12,443,338 | 11,723,461 |
| Expenses (Schedule 4) | | | |
| General government | 1,553,895 | 1,483,243 | 1,472,744 |
| Protection to person and property | 1,720,447 | 1,742,877 | 1,561,416 |
| Transportation services | 1,535,203 | 1,654,620 | 1,576,343 |
| Environmental services | 2,920,494 | 3,062,904 | 3,393,594 |
| Recreation and cultural services | 1,673,288 | 1,853,123 | 1,827,419 |
| Planning and development | 649,440 | 708,058 | 2,706,482 |
| | 10,052,767 | 10,504,825 | 12,537,998 |
| Annual surplus (deficit) | 2,202,271 | 1,938,513 | (814,537) |
| Accumulated surplus, beginning of year | 35,301,710 | 35,301,710 | 36,116,247 |
| Accumulated surplus, end of year (Schedule 2) | 37,503,981 | 37,240,223 | 35,301,710 |

The accompanying notes and schedules are an integral part of the consolidated financial statements.

Municipality of Casselman
Consolidated statement of financial position
As at December 31, 2024

| | 2024 | 2023 |
|--|---------------------|---------------------|
| | \$ | \$ |
| Assets | | |
| Financial assets | | |
| Cash | 3,529,474 | 5,467,988 |
| Taxes receivable | 334,125 | 406,570 |
| Accounts receivable | 1,563,487 | 977,941 |
| Lands for resale | 1,539,556 | 1,539,556 |
| Investments (Note 4) | 1,306,647 | 1,088,750 |
| | 8,273,289 | 9,480,805 |
| Liabilities | | |
| Accounts payable and accrued liabilities | 2,158,711 | 2,131,889 |
| Deferred revenues (Note 6) | 1,508,978 | 1,525,317 |
| Debts (Note 7) | 17,906,216 | 18,949,730 |
| Asset retirement obligation (Note 8) | 1,744,895 | 1,742,423 |
| | 23,318,800 | 24,349,359 |
| Net debt | (15,045,511) | (14,868,554) |
| Commitments (Note 11) | | |
| Non-financial assets | | |
| Tangible capital assets (Schedule 1) | 52,110,523 | 49,950,993 |
| Inventories | 8,007 | 28,844 |
| Prepaid expenses | 218,281 | 190,427 |
| | 52,336,811 | 50,170,264 |
| Accumulated surplus (Schedule 2) | 37,240,223 | 35,301,710 |
| Accumulated remeasurement gains | 51,077 | - |
| Total accumulated surplus | 37,291,300 | 35,301,710 |

The accompanying notes and schedules are an integral part of the consolidated financial statements.

Approved on behalf of the Council

_____, Mayor

_____, Treasurer

Municipality of Casselman
Consolidated statement of change in net debt
Year ended December 31, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---------------------|------------------------|----------------|
| | \$ | \$ | \$ |
| Annual surplus (deficit) | 2,202,271 | 1,938,513 | (814,537) |
| Loss on sale of tangible capital assets | - | - | 92,682 |
| Amortization of tangible capital assets | 1,789,246 | 2,140,449 | 1,937,567 |
| Purchase of tangible capital assets | (6,328,625) | (4,299,979) | (3,127,271) |
| Decrease (increase) in inventories | - | 20,837 | (21,561) |
| Increase of prepaid expenses | - | (27,854) | (24,972) |
| Increase in net debt | (2,337,108) | (228,034) | (1,958,092) |
| Net debt, beginning of year | (14,868,554) | (14,868,554) | (12,910,462) |
| Accumulated remeasurement gains | - | 51,077 | - |
| Net debt, end of year | (17,205,662) | (15,045,511) | (14,868,554) |

The accompanying notes and schedules are an integral part of the consolidated financial statements.

Municipality of Casselman**Consolidated statement of remeasurement gains and losses**

Year ended December 31, 2024

| | 2024 | 2023 |
|---|------------------|-------------|
| | \$ | \$ |
| Accumulated remeasurement gains, beginning of the year | - | - |
| Unrealized remeasurement gains attributable to: | | |
| Mutual funds | 221,062 | - |
| Reclassified to consolidated statement of operations: | | |
| Mutual funds | (169,985) | - |
| Net remeasurement gains during the year | 51,077 | - |
| Accumulated remeasurement gains, end of the year | 51,077 | - |

The accompanying notes and schedules are an integral part of the consolidated financial statements.

Municipality of Casselman
Consolidated statement of cash flow
Year ended December 31, 2024

| | 2024 | 2023 |
|--|--------------------|-------------|
| | \$ | \$ |
| Operating activities | | |
| Annual surplus (deficit) | 1,938,513 | (814,537) |
| Change in non-cash assets and liabilities | | |
| Decrease (increase) in taxes receivable | 72,445 | (141,494) |
| (Increase) decrease in accounts receivable | (585,546) | 216,538 |
| Decrease in lands for resale | - | 75,078 |
| Decrease in accounts payable and accrued liabilities | (41,850) | (579,892) |
| Decrease in deferred revenues | (16,339) | (830,272) |
| Increase in asset retirement obligation liability | 1,060 | 294,485 |
| Decrease (increase) in inventories | 20,837 | (21,561) |
| Increase in prepaid expenses | (27,854) | (24,972) |
| Adjustments for fair market value | (164,891) | - |
| | (742,138) | (1,012,090) |
| Non-cash operating items | | |
| Loss on disposal of tangible capital assets | - | 92,682 |
| Amortization of tangible capital assets | 2,140,449 | 1,937,567 |
| Increase of the liability of ARO | 1,412 | 67,016 |
| | 2,141,861 | 2,097,265 |
| Net increase in cash from operating activities | 3,338,236 | 270,638 |
| Capital activity | | |
| Purchase of tangible capital assets | (4,231,307) | (3,879,299) |
| Investing activities | | |
| Disposal of investments | - | 100,000 |
| Acquisition of investments | (1,929) | (1,050,058) |
| | (1,929) | (950,058) |
| Financing activities | | |
| Debt principal repayment | (1,043,514) | (1,014,070) |
| Net decrease in cash | (1,938,514) | (5,572,789) |
| Cash, beginning of year | 5,467,988 | 11,040,777 |
| Cash, end of year | 3,529,474 | 5,467,988 |

Additional information is presented in Note 9.

The accompanying notes and schedules are an integral part of the consolidated financial statements.

1. Changes in accounting policies

Section PS 3400, Revenue

Effective January 1, 2024, the Municipality adopted new standard of Section PS 3400 Revenue, which establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The new standard is applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements from the prospective application.

2. Accounting policies

The consolidated financial statements of the Municipality are the responsibility of management and are prepared in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board ("PSAB") of CPA Canada.

The focus of PSAB financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position reports assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Net financial assets represent the difference between financial assets and liabilities. This information explains the Municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

Reporting entity

Consolidated financial statements

These consolidated financial statements reflect the assets, liabilities, operating revenues and expenses, reserves and reserve funds and changes in investment in tangible capital assets and include the activities of all committees of Council and the following board which is under the control of Council:

Casselman Public Library Board
Corporation de la revitalisation du centre-ville de Casselman

The financial statements of the Corporation de la revitalisation du centre-ville de Casselman for the year ended December 31, 2024, were not available at the time these consolidated financial statements were prepared. As a result, the financial information from the most recently available fiscal year (December 31, 2023) was used. Management has determined that the effect of using prior year information is not material to the consolidated financial statements.

Basis of accounting

Accrual basis

Expenses and related sources of financing 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 receipt of goods or services and the creation of an obligation to pay.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They 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 debt.

2. Accounting policies (continued)

Basis of accounting (continued)

Financial instruments

The Municipality recognizes its financial instruments when the Municipality becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Municipality may irrevocably elect to subsequently measure any financial instrument at fair value. The Municipality has not made such an election during the year.

The Municipality subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in expenses. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Tangible capital assets

Tangible capital assets (TCA) are recorded at cost, which includes all amounts that are directly attributable to acquisitions, construction, development or betterment of the asset. The cost, less residual value of the TCA, is amortized on a straight-line basis over their estimated useful lives as follows:

| | |
|--------------------------|---------------|
| Machinery and equipment | 5 – 50 years |
| Vehicles | 10 – 20 years |
| Roads | 10 – 50 years |
| Land improvements | 20 – 75 years |
| Buildings and facilities | 20 – 90 years |

The amortization starts in the month when the asset is put into service and ends in the month of sale. Assets under construction are not amortized until the TCA are available for productive use.

Land is not amortized due to its infinite life.

The Municipality has a capitalization threshold of \$25,000 for civil infrastructure systems and pooled assets and \$10,000 for all other assets. Items of lesser value are expensed, unless they are pooled because, collectively, they have significant value or for operational reasons. Examples of pooled assets are desktop computer systems, meters, utility poles and fire hydrants.

2. Accounting policies (continued)

Basis of accounting (continued)

Contribution of tangible capital assets

TCA received as contributions are recorded in the consolidated statement of financial position at their fair value at the date of receipt and that fair value is also recorded as revenue. Transfers of TCA to other organizations are recorded as an expense at the net book value as of the date of transfer.

Leases

Leases are classified as capital or operating leases. Leases, which transfer substantially all 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.

Inventories

Inventories held for consumption are recorded at the lower of cost or replacement cost. Cost is determined on the first-in, first-out basis.

Investment

The investments are recorded at the fair market value. Accrued interests are included in accounts receivable.

Deferred revenues

Funds received for specific purposes are accounted for as deferred revenues until the Municipality discharges its obligation, which led to receipt of the funds.

Government transfers

Government transfers are recognized as revenues in the period during which the transfer is authorized, and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations that require specific actions to be carried out in order to keep the transfer. For such transfers, revenues are recognized when the stipulation has been met.

Segment disclosures

A segment is defined as a distinguishable activity or group of activities for which it is appropriate to separately report financial information. Management has determined that existing disclosures in the consolidated statement of operations and within the related notes sufficiently discloses information of all appropriate segments and therefore no additional disclosure is required.

Reserves and reserve funds

Reserves and reserve funds consist of funds set aside by the Council for specific purposes.

2. Accounting policies (continued)

Basis of accounting (continued)

Asset retirement obligation liability

The Municipality recognizes the liability for an asset retirement obligation arising from the acquisition, development, construction or normal operation of a long-lived asset, in the year in which it is incurred and when a reasonable estimate of the amount of the obligation can be made. The liability is measured at the best estimate of the expenditure required to settle the present obligation.

The corresponding cost is capitalized as part of the related asset and is amortized over the asset's useful life.

In subsequent years, the liability is adjusted for changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of the undiscounted cash flows or the discount rate. The accretion of the liability as a result of the passage of time is charged to earnings while changes to the liability resulting from revisions to either the original estimate of the undiscounted cash flows or the discount rate are accounted for as an adjustment to the carrying amount of the related long-lived asset.

The Municipality continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Use of estimates

The preparation of consolidated financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Key components of the consolidated financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables, the useful life of TCA and certain accrued liabilities. Actual results could differ from these estimates.

3. Operations of the United Counties of Prescott and Russell and the school boards

The taxation of the United Counties of Prescott and Russell and the school boards is comprised of the following:

| | United Counties | School boards | Total |
|---------------------|--------------------|------------------|------------------|
| | \$ | \$ | \$ |
| 2024 | | | |
| Taxation | 2,883,873 | 1,628,666 | 4,512,539 |
| Supplementary taxes | 49,926 | 48,675 | 98,601 |
| Taxes written off | (2,695) | (1,440) | (4,135) |
| | 2,931,104 | 1,675,901 | 4,607,005 |
| 2023 | | | |
| Taxation | 2,495,029 | 1,314,162 | 3,809,191 |
| Supplementary taxes | 183,417 | 213,407 | 396,824 |
| Taxes written off | (2,860) | 192 | (2,668) |
| | 2,675,586 | 1,527,761 | 4,203,347 |

Municipality of Casselman
Notes to the consolidated financial statements
December 31, 2024

4. Investments

| | 2024 | 2023 |
|---|------------------|-------------|
| | \$ | \$ |
| Term deposit, 5.00% (5.00% in 2023), maturing in August 2025 (August 2025 in 2023) | 40,502 | 38,573 |
| Mutual funds | 1,266,145 | 1,050,177 |
| | 1,306,647 | 1,088,750 |

5. Bank loan

The Municipality has an authorized line of credit of \$500,000 (\$500,000 in 2023) at preferred rate plus 0.75% (plus 0.75% in 2023) which was unused at year-end (unused at year-end in 2023).

6. Deferred revenues

| | 2024 | 2023 |
|---------------------|------------------|-------------|
| | \$ | \$ |
| Development charges | 1,288,160 | 1,281,689 |
| Parkland | 23,267 | 21,810 |
| Other | 197,551 | 221,818 |
| | 1,508,978 | 1,525,317 |

The net change during the year in deferred revenues is made up as follows:

| | | |
|--------------------------------------|--------------------|-------------|
| Amounts received | 1,216,679 | 749,388 |
| Investment income | 65,696 | 93,150 |
| Deferred revenues recognized | (1,298,714) | (1,672,810) |
| | (16,339) | (830,272) |
| Deferred revenues, beginning of year | 1,525,317 | 2,355,589 |
| Deferred revenues, end of year | 1,508,978 | 1,525,317 |

7. Debts

| | 2024 | 2023 |
|---|-------------------|------------|
| | \$ | \$ |
| Debts incurred by the Municipality with interest between 2.01% and 5.15%, maturing between 2026 and 2049 | 17,906,216 | 18,949,730 |

Of the debts reported above, principal payments for the next fiscal years are as follows:

| | General taxation | User charges | Total |
|------------|---------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| 2025 | 282,790 | 787,155 | 1,069,945 |
| 2026 | 1,836,619 | 810,550 | 2,647,169 |
| 2027 | 2,475,280 | 834,655 | 3,309,935 |
| 2028 | 271,185 | 680,547 | 951,732 |
| 2029 | 270,002 | 678,411 | 948,413 |
| Thereafter | 1,878,842 | 7,100,180 | 8,979,022 |
| | 7,014,718 | 10,891,498 | 17,906,216 |

The annual principal and interest payments required to service these debts are within the annual debt repayment limits prescribed by the Ministry of Municipal Affairs.

8. Asset retirement obligation liability

The main obligations of the Municipality related to the decommissioning of tangible assets consist of the landfill which is no longer in service, as well as buildings and installations of the Municipality containing asbestos, which must be properly eliminated when they are sold or restoration work is undertaken.

| | 2024 | 2023 |
|--|------------------|-----------|
| | \$ | \$ |
| Opening balance | 1,742,423 | 1,380,922 |
| Impact of the application of section PS 3280 | - | 294,485 |
| Accretion expense | 1,412 | 67,016 |
| Liabilities incurred | 1,060 | - |
| | 1,744,895 | 1,742,423 |

Asset retirement obligation liability is made up as follows:

| | | |
|----------------------------------|------------------|-----------|
| Landfill post-closure activities | 1,598,008 | 1,596,948 |
| Buildings and facilities | 146,887 | 145,475 |
| | 1,744,895 | 1,742,423 |

8. Asset retirement obligation liability (continued)

Landfill post-closure activities

Landfill post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, the monitoring of well development, groundwater and surface water sampling and analysis, groundwater level monitoring and reporting to the Ministry.

The reported liability is based on estimates and assumptions with respect to events extending over a 20-year period using the best information available to management. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

9. Additional information relating to the consolidated statement of cash flow

Non-cash transactions

During the year, tangible capital assets were acquired at an aggregate cost of \$4,299,979 (\$3,127,271 in 2023), of which \$590,783 (\$661,991 in 2023) was paid after year-end and \$3,709,196 (\$2,465,280 in 2023) was paid during the year.

There are \$139,880 (nil in 2023) of previous year's acquisitions which are not paid yet.

10. Pension agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer plan which, for 2024, was on behalf of 22 members (20 in 2023) 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.

The amount contributed to OMERS for 2024 was \$168,450 (\$157,768 in 2023) for current services and is included as an expense in the consolidated statement of operations.

11. Commitments

Maintenance of waterwork and sewer system

The Municipality has signed an agreement in January 2025 for maintenance of the waterwork and sewer system which matures in December 2027. The total estimated amount payable over the next three years is \$2,425,000.

Waste disposal and collection

The Municipality signed an agreement in January 2025 for the waste collection from July 2025 to June 2032. The total estimated disbursements over the next eight years are \$1,299,000.

12. Contractual rights

Lease agreements

The Municipality has signed thirteen lease agreements for the rental of buildings. These agreements mature between February 2025 and December 2027. The total estimated amount receivable over the next three years is \$697,000.

Fire protection services

The Municipality has entered into an agreement for fire protection services with the Corporation of the Nation Municipality and mature in December 2038. The total estimated amount receivable over the next fourteen years is \$633,000.

13. Financial instruments

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Municipality is exposed to price risk arising from variations in interest rates due to its bank loan and its debts, which bear interest at fixed rates. Fixed interest rate instruments subject the Municipality to fair value risk since it varies inversely with variations in market interest rates.

Liquidity risk

The Municipality's objective is to have sufficient liquidity to meet its liabilities when due. The Municipality monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2024, the financial liabilities are the accounts payable and accrued liabilities and debts.

14. Budget amounts

The initial operating budget approved by the Municipality is reflected on the consolidated statement of operations. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expense amounts. As well, the Municipality does not budget activity within reserves and reserve funds, with the exception being those transactions, which affect either operations or tangible capital assets.

Municipality of Casselman
Consolidated tangible capital assets
Year ended December 31, 2024

Schedule 1

| | Land and land improvements | Buildings and facilities | Vehicles | Roads | Machinery and equipment | ARO | Assets under construction | 2024 | 2023 |
|--|-------------------------------|-----------------------------|------------------|------------------|-------------------------------|---------------|---------------------------------|-------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cost | | | | | | | | | |
| Beginning of year | 6,445,322 | 48,215,254 | 2,347,628 | 10,458,177 | 13,478,715 | 139,880 | 2,627,506 | 83,712,482 | 81,157,676 |
| Purchases | 31,109 | 67,389 | 834,194 | 464,458 | 199,261 | - | 2,703,568 | 4,299,979 | 3,127,271 |
| Disposals | - | (143,960) | 98,700 | - | 45,260 | - | - | - | (572,465) |
| Transfers | - | (1,476) | - | (107,095) | (162,741) | - | - | (271,312) | - |
| End of year | 6,476,431 | 48,137,207 | 3,280,522 | 10,815,540 | 13,560,495 | 139,880 | 5,331,074 | 87,741,149 | 83,712,482 |
| Accumulated amortization | | | | | | | | | |
| Beginning of year | 2,416,818 | 15,221,594 | 1,508,745 | 5,781,472 | 8,807,656 | 25,204 | - | 33,761,489 | 32,303,705 |
| Amortization | 195,872 | 923,812 | 197,987 | 225,743 | 571,831 | 25,204 | - | 2,140,449 | 1,937,567 |
| Accumulated amortization on disposals | - | (1,476) | - | (107,095) | (162,741) | - | - | (271,312) | (479,783) |
| Transfers | (9,149) | (2,182) | 49,350 | - | (38,019) | - | - | - | - |
| End of year | 2,603,541 | 16,141,748 | 1,756,082 | 5,900,120 | 9,178,727 | 50,408 | - | 35,630,626 | 33,761,489 |
| Net book value | 3,872,890 | 31,995,459 | 1,524,440 | 4,915,420 | 4,381,768 | 89,472 | 5,331,074 | 52,110,523 | 49,950,993 |

Municipality of Casselman
Consolidated accumulated surplus
Year ended December 31, 2024

Schedule 2

| | 2024 | 2023 |
|---|--------------------|-------------|
| | \$ | \$ |
| Reserves (Schedule 3) | | |
| Working capital | 307,438 | 307,438 |
| Municipal elections | 14,000 | 7,000 |
| Fire department | 395,811 | 780,525 |
| Casselman Hydro Inc. | 75,042 | 75,042 |
| Land held for sale | 1,539,556 | 1,539,556 |
| Recreation program | 136,420 | 135,171 |
| Roads | 116,672 | 271,025 |
| Tangible capital assets | 850 | - |
| | 2,585,789 | 3,115,757 |
| Reserve funds (Schedule 3) | | |
| Waterworks | (153,199) | 186,007 |
| Sewer | 352,027 | 876,393 |
| Planning and development | 143,634 | 69,776 |
| Landfill | 251,960 | 128,585 |
| | 594,422 | 1,260,761 |
| | 3,180,211 | 4,376,518 |
| Operating | | |
| For decrease of taxation | 1,676,829 | 1,858,317 |
| Library Board | 115 | (6,244) |
| Corporation de la revitalisation du centre-ville de Casselman | 45,672 | 45,672 |
| | 1,722,616 | 1,897,745 |
| Invested in tangible capital assets | 34,204,307 | 31,001,263 |
| Unfinanced operations | (6,000) | (6,000) |
| Unfinanced tangible capital assets | (116,016) | (225,393) |
| Unfinanced asset retirement obligation liability | (1,744,895) | (1,742,423) |
| | 32,337,396 | 29,027,447 |
| | 37,240,223 | 35,301,710 |

Municipality of Casselman
Consolidated statement of change in reserves and reserve funds
Year ended December 31, 2024

Schedule 3

| | Actual 2024 | Actual 2023 |
|--|------------------------|----------------|
| | \$ | \$ |
| Revenues | | |
| Investments | 72,742 | 59,635 |
| Net transfers from operating | (1,269,049) | (106,808) |
| Change in reserves and reserve funds | (1,196,307) | (47,173) |
| Reserves and reserve funds, beginning of year | 4,376,518 | 4,423,691 |
| Reserves and reserve funds, end of year | 3,180,211 | 4,376,518 |

Municipality of Casselman
Consolidated statement of expenses by object
Year ended December 31, 2024

Schedule 4

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|----------------|------------------------|----------------|
| | \$ | \$ | \$ |
| Expenses | | | |
| Salaries, wages and benefits | 3,006,089 | 3,009,498 | 2,871,614 |
| Interests | 685,265 | 670,797 | 713,661 |
| Materials | 573,075 | 534,792 | 592,743 |
| Contracted services | 3,751,811 | 4,076,454 | 6,227,918 |
| External transfers | 247,281 | 71,423 | 34,797 |
| Amortization of tangible capital assets | 1,789,246 | 2,140,449 | 1,937,567 |
| Loss on disposal of tangible capital assets | - | - | 92,682 |
| Increase of the liability of ARO | - | 1,412 | 67,016 |
| | 10,052,767 | 10,504,825 | 12,537,998 |