



**SPECIAL MEETING OF COUNCIL  
MEETING AGENDA  
MONDAY DECEMBER 16, 2024 AT 3:00 P.M.**

**DR. S. F. MONESTIME MUNICIPAL COUNCIL CHAMBERS  
160 WATER STREET, MATTAWA ON**

<p><b>Zoom Meeting Access: 1-647-374-4685 Meeting ID Code: 812 5454 7741 Passcode: 375520</b></p>
---

- 1. Meeting Called to Order**
- 2. Announce Electronic Participants**
- 3. Adoption of Agenda**
  - 3.1 To Adopt the agenda as presented or amended
    - That the agenda dated December 16, 2024 be adopted as amended
- 4. Disclosures of a Conflict of Interest**
- 5. Presentations and Delegations**
  - 5.1 Baker Tilly SNT LLP – Presenting the 2023 Audited Financial Statements
- 6. Notice of Motions**
  - 6.1 Adoption of the 2022 & 2023 Audited Financial Statements
- 7. Standing Committee Recommendations/Reports – Motions**
- 8. Information Reports – Motions**
- 9. In Camera (Closed) Session**
- 10. Return to Regular Session**
- 11. Motions Resulting from Closed Session**
- 12. Adjournment**
  - 12.1 Adjournment of the meeting
    - That the December 16, 2024 meeting adjourn at \_\_\_\_\_ p.m.

DATE: MONDAY DECEMBER 16, 2024

3.1

**THE CORPORATION TOWN OF MATTAWA**

MOVED BY COUNCILLOR \_\_\_\_\_

SECONDED BY COUNCILLOR \_\_\_\_\_

---

**BE IT RESOLVED THAT** the meeting agenda dated Monday December 16, 2024 be adopted as amended to add motion # 7.1 Adoption of 2022 & 2023 Financial Statements.

**The Corporation of the  
Town of Mattawa**

**Independent Auditor's Report and  
Financial Report**

**December 31, 2023**

draft

**The Corporation of the  
Town of Mattawa**

**Financial Report**

**December 31, 2023**

Management Report	
Independent Auditor's Report	
Consolidated Statement of Financial Position	1
Consolidated Statement of Operations and Accumulated Surplus	2
Consolidated Statement of Cash Flows	3
Consolidated Statement of Change in Net Debt	4
Notes to the Consolidated Financial Statements	5-27

## **Management's Responsibility for the Consolidated Financial Statements**

The accompanying consolidated financial statements of The Corporation of the Town of Mattawa (the "Town") are the responsibility of the Town's management and have been prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as 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 Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, 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 auditor 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 Baker Tilly SNT LLP, independent external auditor appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

---

CAO/Treasurer  
December 16, 2024

## **Independent Auditor's Report**

### **To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of Mattawa**

#### **Opinion**

We have audited the consolidated financial statements of The Corporation of the Town of Mattawa, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, cash flows, and change in net debt for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the Town of Mattawa as at December 31, 2023, and its consolidated results of operations 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 Consolidated Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Independent Auditor's Report (continued)**

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Town's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.

## **Independent Auditor's Report (continued)**

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

North Bay, Ontario  
December 16, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS,  
LICENSED PUBLIC ACCOUNTANTS



**The Corporation of the Town of Mattawa**  
**Consolidated Statement of Financial Position**  
**December 31, 2023**

	<u>2023</u>	<u>2022</u>
		(Restated note 5)
<b>Financial Assets</b>		
Cash (note 6)	\$ 1,263,002	\$ 1,978,307
Taxes receivable	897,028	623,231
Accounts receivable (note 7)	1,618,912	690,191
Asset held for sale (note 8)	-	872,243
	<u>3,778,942</u>	<u>4,163,972</u>
<b>Liabilities</b>		
Temporary borrowing	-	363,914
Accounts payable and accrued liabilities (note 9)	965,586	850,183
Deferred revenues - other (note 10)	505,638	204,648
Deferred revenues - obligatory reserve funds (note 11)	520,680	401,604
Municipal debt (note 12)	6,719,670	6,469,110
Employee future benefits payable (note 13)	143,380	123,828
Asset retirement obligations (note 14)	252,956	246,683
	<u>9,107,910</u>	<u>8,659,970</u>
<b>Net Debt</b>	<u>(5,328,968)</u>	<u>(4,495,998)</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (note 15)	21,471,457	21,543,278
Prepaid expenses	60,231	49,090
Inventories	18,428	9,430
	<u>21,550,116</u>	<u>21,601,798</u>
<b>Accumulated Surplus</b> (note 16)	<u>\$ 16,221,148</u>	<u>\$ 17,105,800</u>
Contingencies (note 17)		
Commitments (note 18)		

Approved by:

---

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

**The Corporation of the Town of Mattawa**  
**Consolidated Statement of Operations and Accumulated Surplus**  
**For The Year Ended December 31, 2023**

	<b>2023</b>		<b>2022</b>
	<u><b>Budget</b></u>	<u><b>Actual</b></u>	<u><b>Actual</b></u>
	(unaudited)		(Restated note 5)
<b>Revenues</b>			
Net taxation	\$ 2,483,437	\$ 2,557,988	\$ 2,421,213
User charges	1,195,190	1,221,537	1,248,423
Government grants and transfers - Provincial	1,886,942	1,647,640	1,525,934
Government grants and transfers - Federal	13,160	110	17,054
Government grants and transfers - Municipal	173,288	210,178	194,108
Other	623,199	766,255	695,083
<b>Total revenues</b>	<u><b>6,375,216</b></u>	<u><b>6,403,708</b></u>	<u><b>6,101,815</b></u>
<b>Expenses</b>			
General government	1,311,759	1,661,457	1,121,127
Protection services	799,032	807,647	790,075
Transportation services	1,387,488	1,367,862	1,296,836
Environmental services	1,484,793	1,563,442	1,478,395
Health services	77,713	83,201	80,845
Social and family services	293,479	291,111	285,626
Recreation and cultural services	675,714	668,726	830,251
Planning and development	641,488	1,284,388	651,374
<b>Total expenses</b>	<u><b>6,671,466</b></u>	<u><b>7,727,834</b></u>	<u><b>6,534,529</b></u>
<b>Annual deficit before other</b>	<b>(296,250)</b>	<b>(1,324,126)</b>	<b>(432,714)</b>
<b>Other</b>			
Government grants and transfers related to capital - Provincial	534,827	314,471	479,480
Government grants and transfers related to capital - Federal	189,332	125,003	66,193
	<u><b>724,159</b></u>	<u><b>439,474</b></u>	<u><b>545,673</b></u>
<b>Annual surplus (deficit)</b>	<b>427,909</b>	<b>(884,652)</b>	<b>112,959</b>
<b>Accumulated surplus, beginning of year, as previously stated</b>	<b>17,105,800</b>	<b>17,105,800</b>	<b>16,948,423</b>
Adjustments related to adoption of new accounting standards (note 5)	-	-	44,418
<b>Accumulated surplus, end of year</b>	<u><u><b>\$ 17,533,709</b></u></u>	<u><u><b>\$ 16,221,148</b></u></u>	<u><u><b>\$ 17,105,800</b></u></u>

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

**The Corporation of the Town of Mattawa**  
**Consolidated Statement of Cash Flows**  
**For The Year Ended December 31, 2023**

	<u>2023</u>	<u>2022</u>
		(Restated note 5)
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ (884,652)	\$ 112,959
<b>Cash provided by (applied to)</b>		
Non-cash items:		
Accretion expense	6,273	6,039
Amortization of tangible capital assets	1,033,849	960,941
Loss (gain) on disposal of tangible capital assets	425,919	(74,200)
Change in non-cash working capital balances		
Increase in taxes receivable	(273,797)	(216,633)
Decrease (increase) in accounts receivable	(928,721)	1,242,570
Increase (decrease) in accounts payable and accrued liabilities	115,403	(491,526)
Increase in deferred revenues - other	300,990	124,913
Increase in deferred revenues - obligatory reserve funds	119,076	131,640
Increase in prepaid expenses	(11,141)	(12,679)
Increase in inventories	(8,998)	-
Decrease in asset held for sale	-	(664,833)
Increase in employee future benefits payable	19,552	28,102
Cash provided by (applied to) operating transactions	<u>(86,247)</u>	<u>1,147,293</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(962,028)	(3,767,230)
Acquisition of assets held for sale	(368,676)	-
Proceeds on disposal of tangible capital assets	815,000	90,000
Cash applied to capital transactions	<u>(515,704)</u>	<u>(3,677,230)</u>
<b>Financing transactions</b>		
Increase in temporary borrowing	-	363,914
Temporary borrowing repaid	(363,914)	(2,584,597)
Municipal debt issued	451,796	5,696,582
Municipal debt repaid	(201,236)	(175,819)
Cash provided by (applied to) financing transactions	<u>(113,354)</u>	<u>3,300,080</u>
<b>Increase (decrease) in cash</b>	<b>(715,305)</b>	<b>770,143</b>
<b>Cash, beginning of year</b>	<u><b>1,978,307</b></u>	<u><b>1,208,164</b></u>
<b>Cash, end of year</b>	<u><u><b>\$ 1,263,002</b></u></u>	<u><u><b>\$ 1,978,307</b></u></u>

**The Corporation of the Town of Mattawa**  
**Consolidated Statement of Change in Net Debt**  
**For The Year Ended December 31, 2023**

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u> <small>(Restated note 5)</small>
<b>Annual surplus (deficit)</b>	<b>\$ 427,909</b>	<b>\$ (884,652)</b>	<b>\$ 112,959</b>
Amortization of tangible capital assets	1,033,849	1,033,849	960,941
Proceeds on disposal of tangible capital assets		815,000	90,000
Loss (gain) on disposal of tangible capital assets	-	425,919	(74,200)
Acquisition of tangible capital assets	(1,274,673)	(962,028)	(3,767,230)
Acquisition of assets held for sale		(368,676)	-
Change in assets held for sale		(872,243)	191,610
Change in prepaid expenses	-	(11,141)	(12,679)
Change in inventories	-	(8,998)	-
	<hr/>	<hr/>	<hr/>
<b>Decrease (increase) in net debt</b>	<b>187,085</b>	<b>(832,970)</b>	<b>(2,498,599)</b>
<b>Net financial debt, beginning of year, as previously stated</b>	<b>(4,495,998)</b>	<b>(4,495,998)</b>	<b>(1,912,255)</b>
Adjustments related to adoption of new accounting standards (note 5)	-	-	(85,144)
	<hr/>	<hr/>	<hr/>
<b>Net debt, end of year</b>	<b><u><u>\$ (4,308,913)</u></u></b>	<b><u><u>\$ (5,328,968)</u></u></b>	<b><u><u>\$ (4,495,998)</u></u></b>

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**1. Significant Accounting Policies**

These consolidated financial statements of the Town are the representation of management prepared in accordance with accounting policies recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic consolidated financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement.

(a) Basis of Consolidation

- (i) These consolidated financial statements reflect the financial assets, liabilities, non-financial assets, accumulated surplus, revenues and expenses of the Town and include the activities of all committees of Council and of the John Dixon Public Library.

All inter-fund assets and liabilities and revenues and expenses have been eliminated.

(ii) Non-Consolidated Entities

The following joint local boards are not consolidated:

North Bay Parry Sound District Health Unit  
District of Nipissing Social Services Administration Board  
East Nipissing District Home for the Aged

(iii) Accounting for School Board Transactions

The Town is required to collect and remit education support levies in respect of residential and other properties on behalf of the area school boards. The Town has no jurisdiction or control over the school boards operations. Therefore, taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the accumulated surplus of these consolidated financial statements.

(b) Basis of Accounting

(i) Accrual Basis

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 a legal obligation to pay.

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**1. Significant Accounting Policies (Continued)**

(b) Basis of Accounting (Continued)

(ii) Cash

The Town's policy is to disclose bank balances under cash, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with maturities of three months from the date of acquisition or less or those that can be readily convertible to cash.

(iii) Deferred Revenues

Deferred revenues represent user charges and fees that have been collected for which the related services have yet to be performed. Revenue is recognized in the period when the services are performed.

(iv) Deferred Revenues - Obligatory Reserve Funds

The Town receives certain government grants, transfers and other revenues under the authority of legislation. These funds, by their nature, are restricted in their use and, until applied to specific expenses, are recorded as deferred revenues. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

(v) Employee Future Benefits

The Town makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS) which is a multi-employer contributory defined benefit program with contributions expensed as incurred. The costs of other retirement benefits are determined using the projected benefit method prorated on services and management's best estimate of retirement ages of employees and health benefits costs. The liabilities are discounted using current interest rates on long-term bonds.

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**1. Significant Accounting Policies (Continued)**

(b) Basis of Accounting (Continued)

(vi) Asset Retirement Obligations

Asset retirement obligations represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the consolidated financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the Town to incur costs in relation to a specific tangible capital asset, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the Town derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the consolidated statement of operations and accumulated surplus.

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**1. Significant Accounting Policies (Continued)**

(b) Basis of Accounting (Continued)

(vii) Segmented Information

The Town reports its segmented information on functional areas and programs in its consolidated financial statements similar to reporting reflected as part of the Ontario Financial Information Return. These functional areas represent segments for the Town:

*General Government*

General government is comprised of Council, administration, and Ontario Property Assessment.

*Protection Services*

Protection is comprised of police, fire and other protective services.

*Transportation Services*

Transportation services are responsible for road maintenance, culverts, bridges, winter control and streetlights.

*Environmental Services*

Environmental services include water supply and distribution, wastewater treatment, waste and recycling services.

*Health Services*

Health services include public health services.

*Social and Family Services*

Social and family services include social assistance, long-term care, paramedic services, social housing and child care services.

*Recreation and Cultural Services*

Recreation and cultural services include parks and recreation, recreation facilities, culture and libraries.

*Planning and Development*

Planning and development manages development for residential and business interests as well as services related to the Town's economic development programs.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's expenses in proportion to total municipal expenses.



**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**1. Significant Accounting Policies (Continued)**

(b) Basis of Accounting (Continued)

(viii) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus (deficit), provides the Consolidated Change in Net Debt for the year.

*i) Tangible Capital Assets*

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

Land improvements	20 years and landfill capacity
Buildings	25 to 50 years
Machinery and equipment	5 to 20 years
Vehicles	8 to 20 years
Roads and bridges	10 to 100 years
Water and sewer	50 years
Computer hardware and software	5 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal.

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

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

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**1. Significant Accounting Policies (Continued)**

(b) Basis of Accounting (Continued)

(viii) Non-Financial Assets (Continued)

*ii) Inventories*

Inventories held for consumption are recorded at the lower of cost and replacement cost.

*iii) Prepaid Expenses*

Prepaid expenses represent amounts paid in advance for a good or service not yet received. The expense is recognized once the goods have been received or the services have been performed.

(ix) Taxation and Other Revenues

Property tax billings are prepared by the Town based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC") and in accordance with the provisions of the Municipal Act, 2001. Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Town is required to collect on behalf of the Province of Ontario in respect of education taxes.

A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Town determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued.

Assessment and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known or based on management's best estimates.

The Town is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

User charges are recognized in the period in which the revenue relates.

Other income is recognized as revenue when earned. Fines and fees are recognized as revenue when collected.

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**1. Significant Accounting Policies (Continued)**

(b) Basis of Accounting (Continued)

(x) Government Grants and Transfers

Government grants and transfers are recognized in the financial statements in the period in which events giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that stipulations associated with the transfer give rise to a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. The transfer revenue is recognized in the consolidated statement of operations and accumulated surplus as the stipulations giving rise to the liabilities are settled.

(xi) Estimates

The preparation of consolidated financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions. These estimates and assumptions are based on management's best information and judgment and may differ significantly from actual results.

(xii) Financial Instruments

Financial instruments are classified at either fair value or amortized cost.

Financial instruments classified at amortized cost include cash, accounts receivable, taxes receivable, temporary borrowing, accounts payable and accrued liabilities and municipal debt. They are initially recorded at their fair value and subsequently carried at amortized cost using the effective interest rate method, less impairment. Transaction costs are added to the carrying value of the instrument.

**2. Measurement Uncertainty**

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Town's best information and judgment.

- The amounts recorded for asset retirement obligations are based on the estimated amount required to ultimately remediate the liability and depend on estimates of usage, remaining life, inflation rates and discount rates.
- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**2. Measurement Uncertainty (Continued)**

By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

**3. Future Accounting Pronouncements**

These standards and amendments were not effective in the year ended December 31, 2023, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

Section PS 3400 *Revenue*, establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. This section applies to fiscal years beginning on or after April 1, 2023. Early adoption is permitted.

Guideline PSG-8 *Purchased Intangibles*, provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act. This guideline applies to fiscal years beginning on or after April 1, 2023. Early adoption is permitted.

Section PS 3160 *Public Private Partnerships (P3s)*, provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. This section applies to fiscal years beginning on or after April 1, 2023. Early adoption is permitted.

**4. Change in Accounting Policies**

On January 1, 2023, the Town adopted the following standards on a prospective basis: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS 3450 *Financial Instruments*. The adoption of these standards had no impact on the opening balances.

PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. The 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.

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**4. 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 at 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.

**5. Adoption of New Accounting Standards**

On January 1, 2023, the Town adopted PS 3280 *Asset Retirement Obligations* (ARO) on a modified retroactive basis.

PS 3280 *Asset Retirement Obligations* (ARO) establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.

In the past, the Town reported its obligations relating to the retirement of its landfill including closure and post-closure activities provided for over the estimated remaining life of the landfill site based on usage.

The Town reported its obligations relating to the retirement of other tangible capital assets in the period in which the asset was retired directly as an expense.

The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded and replaces Section PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability*.

# The Corporation of the Town of Mattawa

## Notes to the Consolidated Financial Statements

December 31, 2023

### 5. Adoption of New Accounting Standards (Continued)

As a result of the application of this accounting standard, an asset retirement obligation of \$246,683 has been recognized as a liability in the consolidated statement of financial position. These obligations represent the estimated costs of retiring assets owned by the Town.

The adoption of *PS 3280 Asset Retirement Obligations (ARO)* has been applied to the comparative period as follows:

	<u>As previously stated</u>	<u>2022 Adjustments</u>	<u>Restated</u>
<b>Consolidated Statement of Financial Position</b>			
Asset retirement obligations	-	246,683	246,683
Landfill closure and post-closure	170,100	(170,100)	-
Tangible capital assets	21,466,697	76,581	21,543,278
Accumulated surplus	17,105,802	(2)	17,105,800
<b>Consolidated Statement of Operations and Accumulated Surplus</b>			
General government	1,120,727	400	1,121,127
Transportation services	1,296,136	700	1,296,836
Environmental services	1,435,075	43,320	1,478,395
Adjustments related to adoption of new accounting standards	-	44,418	44,418
Accumulated surplus, end of year	17,105,802	(2)	17,105,800
<b>Consolidated Statement of Cash Flows</b>			
Annual surplus	157,379	(44,420)	112,959
Amortization of tangible capital assets	907,960	52,981	960,941
Accretion expense	-	6,039	6,039
Increase in landfill closure and post-closure	14,600	(14,600)	-
<b>Consolidated Statement of Change in Net Debt</b>			
Annual surplus	157,379	(44,420)	112,959
Amortization of tangible capital assets	907,960	52,981	960,941
Adjustments related to adoption of new accounting standards	-	(85,144)	(85,144)
Net debt, end of year	(4,419,415)	(76,583)	(4,495,998)
<b>Note 15 - Tangible Capital Assets</b>			
Land improvements (net book value)	1,179,764	51,881	1,231,645
Buildings (net book value)	6,938,244	24,700	6,962,944
Tangible capital assets (net book value)	21,466,697	76,581	21,543,278

# The Corporation of the Town of Mattawa

## Notes to the Consolidated Financial Statements

December 31, 2023

	<u>As previously stated</u>	<u>2022 Adjustments</u>	<u>Restated</u>
<b>Note 16 - Accumulated Surplus</b>			
Invested in tangible capital assets	21,466,697	76,581	21,543,278
Asset retirement obligations	-	(246,683)	(246,683)
Landfill closure and post-closure liability	(170,100)	170,100	-
Accumulated surplus	17,105,802	(2)	17,105,800
<b>Note 25 - Segmented Information</b>			
Materials, contracted services, rents and financial expenses	3,417,445	(8,561)	3,408,884
Amortization of tangible capital assets	907,960	52,981	960,941

### 6. Cash

The Town has authorized credit facilities totaling \$500,000, which is unsecured. As at December 31, 2023, the Town has utilized \$0 (2022 - \$0). The interest is calculated at the bank's prime lending rate. In addition, the Town has an authorized revolving term loan for equipment purchases totaling \$250,000. As at December 31, 2023, the Town has utilized \$0 (2022 - \$0).

### 7. Accounts Receivable

	<u>2023</u>	<u>2022</u>
Federal Government	\$ 606,272	\$ 245,230
Province of Ontario	499,520	20,820
User charges	175,457	155,064
Other	<u>337,663</u>	<u>269,077</u>
	<u>\$ 1,618,912</u>	<u>\$ 690,191</u>

### 8. Asset Held For Sale

As of December 31, 2023, \$- (2022 - \$872,243) related to land and building was recorded as an asset held for sale. On February 15, 2023 the land and building sold for proceeds of \$815,000 resulting in a loss on sale of \$425,919.

# The Corporation of the Town of Mattawa

## Notes to the Consolidated Financial Statements

December 31, 2023

### 9. Accounts Payable and Accrued Liabilities

	<u>2023</u>	<u>2022</u>
Federal Government	\$ 11,583	\$ 13,062
Province of Ontario	5,452	71,623
School Boards	316,535	54,879
Trade payables	624,467	703,070
Accrued interest	7,549	7,549
	<u>\$ 965,586</u>	<u>\$ 850,183</u>

### 10. Deferred Revenues - Other

Deferred revenue set-aside for specific purposes are comprised of the following:

	Balance as at December 31, 2022	Amounts received during the year	Recognized as revenues during the year	Balance as at December 31, 2023
Northern Ontario Regional Development Support Fund	\$ 179,648	\$ 87,689	\$ -	\$ 267,337
Ontario Community Infrastructure Fund	-	238,301	-	238,301
Deposit on asset held for sale	25,000	-	25,000	-
<b>Total Deferred Revenues - Other</b>	<u>\$ 204,648</u>	<u>\$ 325,990</u>	<u>\$ 25,000</u>	<u>\$ 505,638</u>

### 11. Deferred Revenues - Obligatory Reserve Funds

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balance in the obligatory reserve funds of the Town are summarized below:

	Balance as at December 31, 2022	Amounts received during the year	Recognized as revenues during the year	Balance as at December 31, 2023
Canada Community - Building Fund	\$ 401,604	\$ 148,782	\$ 29,706	\$ 520,680
<b>Total Deferred Revenues - Obligatory Reserve Funds</b>	<u>\$ 401,604</u>	<u>\$ 148,782</u>	<u>\$ 29,706</u>	<u>\$ 520,680</u>



**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**12. Municipal Debt**

	<u>2023</u>	<u>2022</u>
Debenture, repaid during the year	\$ -	\$ 63,601
Term loan, repayable in monthly instalments of \$809, including interest at the fixed rate of 0%, maturing July 27, 2024	<b>8,557</b>	18,260
Term loan, repayable in monthly instalments of \$798, including interest at the fixed rate of 0%, maturing July 27, 2024	<b>8,445</b>	18,021
Term loan, repayable in interest-only instalments of \$15,938 at the fixed rate of 3.39% until June 30, 2025 followed by monthly instalments of \$22,316, including interest at the fixed rate of 3.39%, maturing June 30, 2027	<b>5,641,906</b>	5,641,906
Debenture, repayable in semi-annual instalments of \$50,742, including interest at the fixed rate of 3.24%, maturing July 3, 2027	<b>377,876</b>	464,995
Term loan, repayable in monthly instalments of \$453, including interest at 2.99% maturing September 29, 2027	<b>41,956</b>	52,327
Term loan, repayable in monthly instalments of \$5,857, including interest at the fixed rate of 7.1%, maturing December 15, 2028	<b>295,100</b>	-
Term loan, repayable in monthly instalments of \$1,578, including interest at the fixed rate of 3.88%, maturing February 1, 2033	<b>145,830</b>	-
Promissory note, non-interest bearing, repayable in annual instalments of \$10,000, maturing December 19, 2043	<b>200,000</b>	210,000
	<b><u>\$ 6,719,670</u></b>	<b><u>\$ 6,469,110</u></b>

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**12. Municipal Debt (Continued)**

Principal instalments required to be paid over the next five years are as follows:

2024	\$ 192,136
2025	221,205
2026	269,660
2027	5,720,513
2028	93,433
Thereafter	<u>222,723</u>
Total	<u>\$ 6,719,670</u>

**13. Employee Future Benefits Payable**

The Town provides certain employee benefits which will require funding in future periods, as follows:

	<u>2023</u>	<u>2022</u>
Accumulated sick leave entitlements	\$ 28,516	\$ 47,134
Vacation pay	<u>114,864</u>	<u>76,694</u>
	<u>\$ 143,380</u>	<u>\$ 123,828</u>

The Town has established reserves to mitigate the future impact of these obligations. The balance of the sick leave reserve is \$32,539 (2022 - \$32,539).

**14. Asset Retirement Obligations**

	<u>2023</u>	<u>2022</u>
<b>Balance, beginning of year</b>	\$ 246,683	\$ -
Opening balance adjustment	-	240,644
Accretion expense	<u>6,273</u>	<u>6,039</u>
<b>Balance, end of year</b>	<u>\$ 252,956</u>	<u>\$ 246,683</u>

The asset retirement obligation at year-end is as follows:

	<u>2023</u>	<u>2022</u>
Landfill	\$ 167,956	\$ 161,683
Asbestos removal	<u>85,000</u>	<u>85,000</u>
Balance, end of year	<u>\$ 252,956</u>	<u>\$ 246,683</u>

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**14. Asset Retirement Obligations (Continued)**

**Landfill**

Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. The main components of the landfill closure plan are final capping using selected specific layers of earthen materials based on an engineered cap design and implementation of a drainage management plan. The post-closure maintenance requirements will involve cap maintenance, installation of monitoring wells, groundwater monitoring, inspections and annual reports.

The reported liability is based on estimates and assumptions with respect to events extending over the estimated remaining useful life using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable. The most recent waste capacity study for the landfill site was performed in a report dated October 2018.

A cost-sharing agreement is in place with two neighbouring municipalities, the Township of Mattawan and the Township of Papineau-Cameron. All operating expenditures, closure and post-closure expenditures are to be split based on the following breakdown: Mattawa 62.3%, Papineau-Cameron 32.6% and Mattawan 5.1%.

The Town has established an independent landfill reserve of \$933,376 (2022 - 892,999) that could be used to mitigate the future impact of these obligations.

	<b>Estimated Remaining Capacity</b>	<b>Estimated Remaining Life</b>	<b>Post-Closure Care Activities</b>	<b>Inflation Rate</b>	<b>Discount Rate</b>
<b>2023</b>	-% (- m <sup>3</sup> )	- years	<b>10 years</b>	<b>3.58%</b>	<b>3.88%</b>
2022	3.0% (2,023 m <sup>3</sup> )	1 years	10 years	3.58%	3.88%

**Asbestos removal**

The Town owns buildings which contain asbestos, and therefore, the Town is legally required to perform abatement activities upon renovation or demolition of these assets. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The timing of post-closure care cannot yet be reasonably estimated, so no discounting has been applied to the liability.

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**15. Tangible Capital Assets**

	Cost			Accumulated Amortization			Net Book Value			
	Balance, beginning of year <small>(restated - note 5)</small>	Additions	Transfers / Disposals	Balance, end of year <small>(restated - note 5)</small>	Balance, beginning of year <small>(restated - note 5)</small>	Amortization	Disposals	Balance, end of year	December 31, 2023	December 31 2022 <small>(restated - note 5)</small>
Land	\$ 478,585	\$ -	\$ -	\$ 478,585	\$ -	\$ -	\$ -	\$ -	\$ 478,585	\$ 478,585
Land improvements	3,430,246	-	-	3,430,246	2,198,601	170,956	-	2,369,557	1,060,689	1,231,645
Buildings	9,113,148	9,871	614,085	9,737,104	2,150,204	186,732	-	2,336,936	7,400,168	6,962,944
Machinery and equipment	3,833,864	71,939	-	3,905,803	2,840,195	130,849	-	2,971,044	934,759	993,669
Vehicles	1,548,705	295,100	-	1,843,805	796,275	119,420	-	915,695	928,110	752,430
Roads and bridges	10,138,919	-	-	10,138,919	6,976,465	238,700	-	7,215,165	2,923,754	3,162,454
Water and sewer	10,707,997	-	-	10,707,997	4,639,347	176,607	-	4,815,954	5,892,043	6,068,650
Computer hardware and software	183,082	-	-	183,082	159,742	10,585	-	170,327	12,755	23,340
Assets under construction	1,869,561	585,118	(614,085)	1,840,594	-	-	-	-	1,840,594	1,869,561
	<u>\$ 41,304,107</u>	<u>\$ 962,028</u>	<u>\$ -</u>	<u>\$ 42,266,135</u>	<u>\$ 19,760,829</u>	<u>\$ 1,033,849</u>	<u>\$ -</u>	<u>\$ 20,794,678</u>	<u>\$ 21,471,457</u>	<u>\$ 21,543,278</u>

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**16. Accumulated Surplus**

	<u>2023</u>	<u>2022</u>
Surplus		(Restated note 5)
Invested in tangible capital assets	\$ 21,471,457	\$ 21,543,278
General (see note (a) below)	(1,209,520)	(374,873)
John Dixon Public Library	(84)	(84)
Unfunded Liabilities		
Municipal debt	(6,719,670)	(6,469,110)
Asset retirement obligation	(252,956)	(246,683)
Employee future benefits payable	(143,380)	(123,828)
Total surplus	<u>13,145,847</u>	<u>14,328,700</u>
Reserves		
Special purpose reserves		
Working funds	300,008	412,811
Fire protection	47,724	43,182
Recreation	22,649	22,649
Planning and development	100,000	100,000
Sick leave	32,539	32,539
Long-term care	200,000	210,000
Water	1,279,269	903,184
Landfill closure	933,376	892,999
Industrial park	150,000	150,000
Cemetery	9,736	9,736
Total reserves	<u>3,075,301</u>	<u>2,777,100</u>
Accumulated Surplus	<u>\$ 16,221,148</u>	<u>\$ 17,105,800</u>

(a) General Deficit:

The general deficit of \$(1,209,520) (2022 - \$(374,873)) at the end of the year is comprised of the following:

	<u>2023</u>	<u>2022</u>
Opening balance	\$ (374,873)	\$ (3,036,576)
Annual surplus (deficit)	(884,652)	112,959
Transfer to reserves	(298,201)	(362,861)
Net change in tangible capital assets	71,821	(2,728,442)
Increase in unfunded liabilities	276,385	5,640,047
Closing balance	<u>\$ (1,209,520)</u>	<u>\$ (374,873)</u>

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**17. Contingencies**

**Legal Matters**

The Town is involved in certain legal matters and litigations, the outcomes of which are not presently determinable. The loss, if any, from these contingencies will be accounted for in the periods in which the matters are resolved. Council is of the opinion that it is unlikely that any liability, to the extent not provided by insurance or otherwise, would be material in relation to the Town's consolidated financial position.

**18. Commitments**

The Town entered into contracts for the construction of a building and bandshell. At December 31, 2023, there was approximately \$3,160,254 remaining to be completed.

Under the terms of existing contracts for services expiring between December 31, 2025 and December 31, 2029, the Town is committed to make minimum payments as follows:

2024	\$ 1,298,141
2025	1,315,462
2026	634,373
2027	292,892
2028	298,750
Thereafter	<u>304,725</u>
	<u>\$ 4,144,343</u>

**19. Operations of School Boards**

Further to note 1(a)(iii), the taxation, other revenues and expenses of the school boards are comprised of the following:

	<u>2023</u>	<u>2022</u>
Taxation and user charges	<u>\$ 261,657</u>	<u>\$ 249,832</u>
Total amounts received or receivable	<u>261,657</u>	249,832
Requisitions	<u>261,657</u>	<u>249,832</u>
	<u>\$ -</u>	<u>\$ -</u>

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**20. Contributions to Unconsolidated Joint Local Boards**

Further to note 1(a)(iii), the following contributions were made by the Town to these boards:

	<u>2023</u>	<u>2022</u>
North Bay Parry Sound District Health Unit	\$ 69,432	\$ 67,075
District of Nipissing Social Services Administration Board	236,841	230,872
East Nipissing District Home for the Aged	<u>45,070</u>	<u>45,554</u>
	<u>\$ 351,343</u>	<u>\$ 343,501</u>

**21. Pension Agreements**

The Town makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of all qualifying members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The OMERS Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to approximately 612,000 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. On December 31, 2023, the estimated accrued pension obligation for all members of the Plan was \$134,574 million (2022 - \$128,789 million). The Plan had an actuarial value of net assets at that date of \$130,372 million (2022 - \$122,111 million) indicating an actuarial deficit of \$4,202 million (2022 - \$6,678 million). The Plan is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Town does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed by the Town to OMERS for 2023 was \$99,262 (2022 - \$97,069) for current services and is included as an expense on the Consolidated Statement of Operations and Accumulated Surplus.

On January 1, 2023 the yearly maximum pension earnings increased to \$66,600 from \$64,900 in 2022. The contributions are calculated at a rate of 9.0% (2022 - 9.0%) for amounts up to the yearly maximum pension earnings stated above and at a rate of 14.6% (2022 - 14.6%) for amounts above the yearly maximum pension earnings.

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**22. Financial Instruments**

Risks arising from financial instruments and risk management

The Town is exposed to a variety of financial risks including credit risk, liquidity risk and market risk.

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

Credit risk

Credit risk is the risk of losses resulting from a counterparty's failure to honour its contractual obligations. The Town's financial assets consisting of cash, accounts receivable and taxes receivable are subject to credit risk. The Town is exposed to credit risk to the extent that accounts receivable and taxes receivable are not collected in a timely manner. The carrying amounts of financial assets on the consolidated statement of financial position represent the maximum credit risk of the Town at the date of the consolidated statement of financial position. The Town does not believe it is subject to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Town will not be able to meet its financial obligations as they become due. The Town's financial liabilities include temporary borrowing, accounts payable and accrued liabilities and municipal debt. The Town maintains sufficient resources to meet its obligations. The Town does not believe it is subject to significant liquidity risk.

Market risk

Market risk is the risk of changes in the fair value of financial instruments resulting from fluctuations in the market. The Town is exposed to currency risk, interest risk and price risk to the extent that the fair value of a financial instrument will fluctuate as a result of market factors. The Town's financial instruments consisting of cash, accounts receivable, taxes receivable, temporary borrowing, accounts payable and accrued liabilities and municipal debt are subject to market risk. The Town does not believe it is subject to significant market risk.



**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**23. Budget Figures**

Budget figures have been provided for comparison purposes and have been derived from the budget approved by Council. The budget approved by Council is based on a model used to manage departmental spending within the guidelines of the model. Given the differences between the model and generally accepted accounting principles established by the Public Sector Accounting Board, the budget figures presented have been adjusted to conform with the basis of accounting that is used to prepare the consolidated financial statements. The budget figures are unaudited.

	<u>2023</u>	<u>2022</u>
Budget By-law surplus for the year	\$ -	\$ -
Add: Acquisition of tangible capital assets	<b>1,274,673</b>	2,972,357
Municipal debt repaid	<b>177,346</b>	156,111
Contributions to reserves	-	-
Less: Amortization of tangible capital assets	<b>(1,033,849)</b>	(907,960)
Contributions from reserves	<b>9,739</b>	98,489
	<u>          </u>	<u>          </u>
Budget surplus per consolidated statement of operations and accumulated surplus	<u><b>\$ 427,909</b></u>	<u><b>\$ 2,318,997</b></u>

**24. Comparative Figures**

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**25. Segmented Information**

	<u>General Government</u>	<u>Protection Services</u>	<u>Transportation Services</u>	<u>Environmental Services</u>	<u>Health Services</u>	<u>Social and Family Services</u>	<u>Recreation and Cultural Services</u>	<u>Planning and Development</u>	<u>2023 Total</u>
<b>Revenues</b>									
Net taxation	\$ 554,074	\$ 269,405	\$ 456,041	\$ 502,115	\$ 27,753	\$ 97,105	\$ 223,065	\$ 428,430	\$ 2,557,988
User charges	10,279	240	-	1,113,354	-	-	94,094	3,570	1,221,537
Government grants and transfers - Provincial	434,195	138,558	234,546	302,260	15,699	49,942	129,688	342,752	1,647,640
Government grants and transfers - Federal	-	-	-	-	-	-	110	-	110
Government grants and transfers - Municipal	-	-	-	192,755	-	-	17,423	-	210,178
Other	216,935	16,804	3,604	16,094	2,720	-	5,875	504,223	766,255
Total Revenues	<u>1,215,483</u>	<u>425,007</u>	<u>694,191</u>	<u>2,126,578</u>	<u>46,172</u>	<u>147,047</u>	<u>470,255</u>	<u>1,278,975</u>	<u>6,403,708</u>
<b>Expenses</b>									
Salary, wages and employee benefits	877,156	197,883	503,195	3,719	-	-	315,499	123,130	2,020,582
Materials, contracted services, rents, and financial expenses	754,876	574,689	441,672	1,215,461	83,201	291,111	241,648	431,978	4,034,636
Long-term debt charge (interest)	-	-	4,909	14,366	-	-	2,841	190,732	212,848
Amortization of tangible capital assets	29,425	35,075	418,086	329,896	-	-	108,738	112,629	1,033,849
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	425,919	425,919
Total expenses	<u>1,661,457</u>	<u>807,647</u>	<u>1,367,862</u>	<u>1,563,442</u>	<u>83,201</u>	<u>291,111</u>	<u>668,726</u>	<u>1,284,388</u>	<u>7,727,834</u>
<b>Annual surplus (deficit) before other</b>	<u>(445,974)</u>	<u>(382,640)</u>	<u>(673,671)</u>	<u>563,136</u>	<u>(37,029)</u>	<u>(144,064)</u>	<u>(198,471)</u>	<u>(5,413)</u>	<u>(1,324,126)</u>
<b>Other</b>									
Government grants and transfers related to capital - Provincial	-	-	-	-	-	-	261,528	52,943	314,471
Government grants and transfers related to capital - Federal	-	-	29,706	-	-	-	-	95,297	125,003
<b>Annual surplus (deficit)</b>	<u><u>\$ (445,974)</u></u>	<u><u>\$ (382,640)</u></u>	<u><u>\$ (643,965)</u></u>	<u><u>\$ 563,136</u></u>	<u><u>\$ (37,029)</u></u>	<u><u>\$ (144,064)</u></u>	<u><u>\$ 63,057</u></u>	<u><u>\$ 142,827</u></u>	<u><u>\$ (884,652)</u></u>

**The Corporation of the Town of Mattawa**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**25. Segmented Information (Continued)**

	<u>General Government</u>	<u>Protection Services</u>	<u>Transportation Services</u>	<u>Environmental Services</u>	<u>Health Services</u>	<u>Social and Family Services</u>	<u>Recreation and Cultural Services</u>	<u>Planning and Development</u>	<u>2022 Total</u>
<b>Revenues</b>									
Net taxation	\$ 418,101	\$ 294,747	\$ 483,539	\$ 535,372	\$ 30,160	\$ 106,556	\$ 309,735	\$ 243,003	\$ 2,421,213
User charges	9,390	360	-	1,154,258	-	-	80,886	3,529	1,248,423
Government grants and transfers - Provincial	155,170	160,155	262,738	340,756	17,813	57,899	179,467	351,936	1,525,934
Government grants and transfers - Federal	-	-	-	-	-	-	17,054	-	17,054
Government grants and transfers - Municipal	-	-	-	175,820	-	-	18,288	-	194,108
Other	220,483	83,073	-	8,039	2,919	-	1,667	378,902	695,083
	<u>803,144</u>	<u>538,335</u>	<u>746,277</u>	<u>2,214,245</u>	<u>50,892</u>	<u>164,455</u>	<u>607,097</u>	<u>977,370</u>	<u>6,101,815</u>
<b>Expenses</b>									
Salary, wages and employee benefits	746,502	198,730	535,676	3,718	-	-	424,870	145,342	2,054,838
Materials, contracted services, rents, and financial expenses	353,534	545,187	348,289	1,143,562	80,845	285,626	292,551	359,290	3,408,884
Long-term debt charge (interest)	-	-	-	15,815	-	-	3,574	90,477	109,866
Amortization of tangible capital assets	21,091	46,158	412,871	315,300	-	-	109,256	56,265	960,941
	<u>1,121,127</u>	<u>790,075</u>	<u>1,296,836</u>	<u>1,478,395</u>	<u>80,845</u>	<u>285,626</u>	<u>830,251</u>	<u>651,374</u>	<u>6,534,529</u>
<b>Annual surplus (deficit) before other</b>	(317,983)	(251,740)	(550,559)	735,850	(29,953)	(121,171)	(223,154)	325,996	(432,714)
<b>Other</b>									
Government grants and transfers related to capital - Provincial	-	-	(10,000)	266,810	-	-	185,900	36,770	479,480
Government grants and transfers related to capital - Federal	-	-	-	-	-	-	-	66,193	66,193
<b>Annual surplus (deficit)</b>	<u>\$ (317,983)</u>	<u>\$ (251,740)</u>	<u>\$ (560,559)</u>	<u>\$ 1,002,660</u>	<u>\$ (29,953)</u>	<u>\$ (121,171)</u>	<u>\$ (37,254)</u>	<u>\$ 428,959</u>	<u>\$ 112,959</u>

DATE: MONDAY DECEMBER 16, 2024

6.1

**THE CORPORATION TOWN OF MATTAWA**

MOVED BY COUNCILLOR \_\_\_\_\_

SECONDED BY COUNCILLOR \_\_\_\_\_

---

**BE IT RESOLVED THAT** Council of the Corporation of the Town of Mattawa formally adopt the 2022 and 2023 Consolidated Financial Statements as submitted by the municipal audit firm Baker Tilly SNT LLP.

DATE: MONDAY DECEMBER 16, 2024

12.1

**THE CORPORATION TOWN OF MATTAWA**

MOVED BY COUNCILLOR \_\_\_\_\_

SECONDED BY COUNCILLOR \_\_\_\_\_

---

**BE IT RESOLVED THAT** the December 16, 2024 meeting adjourn at \_\_\_\_\_ p.m.