

Consolidated Financial Statements of

**THE CORPORATION
OF THE TOWN OF
CARLETON PLACE**

Year ended December 31, 2022

THE CORPORATION OF THE TOWN OF CARLETON PLACE

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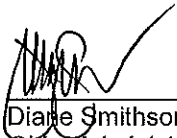
Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the Town of Carleton Place (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies is described in note 2 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

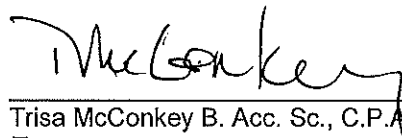
The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of consolidated financial statements. These systems are monitored and evaluated by management.

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

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



Diane Smithson, B. Comm, Dipl.M.M., CMO
Chief Administrative Officer



Trisa McConkey B. Acc. Sc., C.P.A., C.G.A.
Treasurer



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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Carleton Place

Opinion

We have audited the financial statements of Corporation of the Town of Carleton Place (the "Entity"), which comprise:

- the consolidated statement of financial position as at December 31, 2022
- the consolidated statement of operations and municipal equity for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2022, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

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

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



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group of the Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Perth, Canada

April 4, 2023

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Consolidated Statement of Financial Position

December 31, 2022, with comparative information for 2021

| | 2022 | 2021 |
|---|-----------------------|-----------------------|
| Financial assets: | | |
| Cash | \$ 38,016,668 | \$ 35,831,666 |
| Taxes receivable (net of allowance of \$55,000) | 1,995,993 | 1,750,803 |
| User charges receivable | 259,406 | 263,273 |
| Accounts receivable | 4,271,547 | 3,084,775 |
| Long-term mortgage receivables (note 4) | 5,961,058 | 6,770,940 |
| | <u>50,504,672</u> | <u>47,701,457</u> |
| Financial liabilities: | | |
| Accounts payable and accrued liabilities | 2,958,179 | 2,088,877 |
| Prepaid property taxes | 874,900 | 1,175,066 |
| Security deposits | 7,086,983 | 5,975,273 |
| Employee future benefit obligations (note 5) | 581,759 | 552,384 |
| Deferred revenues (note 6) | 8,840,317 | 4,548,910 |
| Long-term liabilities (note 7) | 4,807,648 | 5,602,388 |
| Obligations under capital lease (note 8) | 178,278 | — |
| | <u>25,328,064</u> | <u>19,942,898</u> |
| Net financial assets | 25,176,608 | 27,758,559 |
| Non-financial assets: | | |
| Tangible capital assets (note 9) | 130,279,372 | 119,154,802 |
| Inventories | 96,609 | 93,165 |
| Prepaid expenses | 152,579 | 9,167 |
| | <u>130,528,560</u> | <u>119,257,134</u> |
| Commitments (note 13) | | |
| Contingent liabilities (note 14) | | |
| Municipal equity (note 10) | <u>\$ 155,705,168</u> | <u>\$ 147,015,693</u> |

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

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Consolidated Statement of Operations and Municipal Equity

Year ended December 31, 2022, with comparative information for 2021

| | Budget 2022 (note 16) | Actual 2022 | Actual 2021 |
|--|-----------------------------|-----------------------|-----------------------|
| Revenue: | | | |
| Taxation | \$ 13,116,877 | \$ 13,749,784 | \$ 12,498,584 |
| User charges | 10,139,536 | 10,460,267 | 9,195,816 |
| Government transfers | 8,224,622 | 9,204,452 | 5,462,196 |
| Licenses and permits | 816,420 | 1,522,846 | 854,643 |
| Investment income | 275,500 | 871,093 | 317,907 |
| Penalties and interest on taxes | 250,000 | 204,940 | 296,250 |
| Other | 289,456 | 849,461 | 432,426 |
| | <u>33,112,411</u> | <u>36,862,843</u> | <u>29,057,822</u> |
| Expenses (note 15): | | | |
| General government | 4,192,220 | 2,928,207 | 2,343,650 |
| Protection to persons and property | 5,026,360 | 5,471,973 | 5,092,475 |
| Transportation services | 7,012,227 | 4,446,828 | 4,049,192 |
| Environmental services | 6,805,610 | 6,916,812 | 6,763,462 |
| Social and family services | 4,114,177 | 3,600,067 | 3,209,694 |
| Recreation and cultural services | 3,996,335 | 3,809,550 | 3,102,275 |
| Planning and development | 975,910 | 999,931 | 935,167 |
| | <u>32,122,839</u> | <u>28,173,368</u> | <u>25,495,915</u> |
| Annual surplus | 989,572 | 8,689,475 | 3,561,907 |
| Municipal equity, beginning of year | 147,015,693 | 147,015,693 | 143,453,786 |
| Municipal equity, end of year (note 10) | \$ 148,005,265 | \$ 155,705,168 | \$ 147,015,693 |

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

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

| | Budget 2022 (note 16) | Actual 2022 | Actual 2021 |
|---|-----------------------------|----------------|----------------|
| Annual surplus | \$ 989,572 | \$ 8,689,475 | \$ 3,561,907 |
| Amortization of tangible capital assets | 4,023,676 | 3,822,095 | 3,877,404 |
| Acquisition of tangible capital assets | (32,039,881) | (15,220,703) | (9,410,817) |
| Loss on disposal of tangible capital assets | – | 452,316 | 142,108 |
| Acquisition of assets under capital lease | – | (178,278) | – |
| Decrease in inventories | – | (3,444) | (13,488) |
| Increase (decrease) in prepaid expenses | – | (143,412) | 5,893 |
| | (28,016,205) | (11,271,426) | (5,398,900) |
| Change in net financial assets | (27,026,633) | (2,581,951) | (1,836,993) |
| Net financial assets, beginning of year | 27,758,559 | 27,758,559 | 29,595,552 |
| Net financial assets, end of year | \$ 731,926 | \$ 25,176,608 | \$ 27,758,559 |

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

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Consolidated Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

| | 2022 | 2021 |
|---|----------------------|----------------------|
| Operating activities: | | |
| Annual surplus | \$ 8,689,475 | \$ 3,561,907 |
| Item not involving cash: | | |
| Amortization of tangible capital assets | 3,822,095 | 3,877,404 |
| Loss on disposal of tangible capital assets | 452,316 | 142,108 |
| Change in employee future benefit obligations | 29,375 | 37,930 |
| Change in non-cash operating working capital: | | |
| Taxes receivable | (245,190) | (92,742) |
| User charges receivable | 3,867 | 271,660 |
| Accounts receivable | (1,186,772) | (224,154) |
| Accounts payable and accrued liabilities | 869,302 | (305,538) |
| Prepaid property taxes | (300,166) | 582,337 |
| Security deposits | 1,111,710 | 197,408 |
| Deferred revenues | 4,291,407 | 537,722 |
| Inventories | (3,444) | (13,488) |
| Prepaid expenses | (143,412) | 5,893 |
| | <u>17,390,563</u> | <u>8,578,447</u> |
| Capital activities: | | |
| Acquisition of tangible capital assets | (15,220,703) | (9,410,817) |
| Acquisition of assets under capital lease | (178,278) | - |
| | <u>(15,398,981)</u> | <u>(9,410,817)</u> |
| Investing activities: | | |
| Receipt of long-term mortgage receivables | 809,882 | 2,678,073 |
| Financing activities: | | |
| Increase in obligations under capital lease | 178,278 | - |
| Principal repayments of long-term liabilities | (794,740) | (578,787) |
| | <u>(616,462)</u> | <u>(578,787)</u> |
| Increase in cash | 2,185,002 | 1,266,916 |
| Cash, beginning of year | 35,831,666 | 34,564,750 |
| Cash, end of year | <u>\$ 38,016,668</u> | <u>\$ 35,831,666</u> |

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

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements

Year ended December 31, 2022

1. Status of the Town of Carleton Place:

The Corporation of the Town of Carleton Place (the "Town") was incorporated January 6, 1890 (previously incorporated as a village in 1870) and assumed its responsibilities under the authority of the Provincial Secretary. The Town operates as a lower tier government in the County of Lanark, in the Province of Ontario, Canada and provides municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations.

2. Significant accounting policies:

The consolidated financial statements of the Corporation of the Town of Carleton Place are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Town are as follows:

(a) Reporting entity:

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

- Public Library Board
- Business Improvement Area Committee

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these consolidated financial statements. Over levies (under levies) are reported on the Consolidated Statement of Financial Position.

(b) Basis of accounting:

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

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

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

2. Significant accounting policies (continued):

(c) Taxation and related revenues:

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

(d) Tangible capital assets:

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

| Asset | Estimated Useful Life |
|-------------------------|-----------------------|
| Land improvements | 10-25 years |
| Buildings: | |
| General | 20-60 years |
| Water plant | 60 years |
| Sewage plant | 60 years |
| Machinery and equipment | 5-30 years |
| Vehicles | 3-25 years |
| Linear assets: | |
| Roads | 15-25 years |
| Sidewalks/curbs | 35 years |
| Underground networks: | |
| Water | 60 years |
| Sewer | 60 years |
| Storm | 60 years |
| Bridges and culverts | 50 years |

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

2. Significant accounting policies (continued):

(d) Tangible capital assets (continued):

Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Town has a capitalization threshold of \$10,000 for vehicles and equipment and \$100,000 for linear assets and buildings so that individual capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operations reasons.

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

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

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

(e) Leases:

Leases are classified as capital or operations leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Assets acquired under capital leases are amortized as described in Note 2(d). Obligations under capital leases are reduced by the principal portion of lease payments. The imputed interest portion of lease payments is charged to expense.

(f) Inventories:

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

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

2. Significant accounting policies (continued):

(g) Employee future benefit obligation:

The Town accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. As a result, the Town does not recognize any share of the OMERS pension surplus or deficit.

The Town accrues its obligation for employee benefit plans. The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method pro-rated on services and management's best estimate of salary escalation, retirement ages of employees and expected health care costs.

Actual gains (losses) which can arise from changes in the actuarial assumptions used to determine the accrued benefit obligation will be amortized over the average remaining service period of active employees, which is estimated to be 12.45 years (2021 - 12.71 years).

(h) Government transfers:

Government transfers are recognized in the consolidated financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that stipulations by the transferor give rise to an obligation that meets the definition of a liability. Government transfers that meet the definition of a liability are recorded as deferred revenue and recognized as revenue as the liability is extinguished.

(i) Deferred revenue:

The Town receives contributions pursuant to legislation, regulations or agreement that may only be used for certain programs or in the completion of specific work. In addition, certain user charges and fees are collected for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, or services performed.

The Town also receives restricted contributions under the authority of the federal and provincial legislation and Town by-laws. Government transfers of gas taxes, development charges collected under the *Development Charges Act, 1997*, parking-in-lieu and recreational land collected under the Planning Act are restricted in their use, and until applied to applicable costs, are reported as deferred revenues in the Consolidated Statement of Financial Position. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

2. Significant accounting policies (continued):

(j) Liability for contaminated sites:

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

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

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

(k) Use of estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Significant areas requiring the use of management's estimates include the actuarial assumptions used to develop the employee future benefit obligations liability. Actual results could differ from these estimates.

3. Operations of the School Boards and County of Lanark:

The Town collects and makes property tax transfers, including payments in lieu of property taxes, to the County of Lanark and School Boards. The amounts collected and remitted are as follows:

| | School board 2022 | County 2022 | School board 2021 | County 2021 |
|---------------------------------|----------------------|---------------------|----------------------|---------------------|
| Property taxes | \$ 3,775,880 | \$ 6,749,655 | \$ 3,841,921 | \$ 6,705,513 |
| Taxation from other governments | – | 29,189 | – | 25,295 |
| | \$ 3,775,880 | \$ 6,778,844 | \$ 3,841,921 | \$ 6,730,808 |

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

4. Long-term mortgage receivables:

- (a) The Town entered into a long-term financing agreement with Mississippi Valley Conservation Authority to finance the construction of a new facility to be located within the Town. Long term financing was a debenture funded through Ontario Infrastructure and Lands Corporation ("OILC") in the amount of \$4,640,000.

The loan is secured with an agreement that includes a mortgage on the property. The debenture terms include interest at a rate of 3.4%, semi annual blended payments of \$138,502 due June 1st and December 1st and is due June 2040.

| Year | Amount |
|------------|--------------|
| 2023 | \$ 154,857 |
| 2024 | 160,166 |
| 2025 | 165,658 |
| 2026 | 171,339 |
| 2027 | 177,213 |
| Thereafter | 2,801,749 |
| | \$ 3,630,982 |

- (b) In 2021, the Town executed cost recovery agreements with developers for core infrastructure services for water and sewer on Highway 7 and McNeely Avenue. Under the agreement, the Town agreed to fund the up-front infrastructure costs and then recover the funds from the developers through a long-term mortgage.

The mortgages are to be repaid over 15 years with quarterly payments and with interest compounded annually at 4%. The Town has mortgage security on each property within the development area.

The loan agreements provide for lump sum repayments of principal under the following conditions:

- (i) The Town recovers development costs from other owners of land who benefit from the core services within the development area.
- (ii) Developer registers a plan of the subdivision, registers a site plan approval, receives a severance or upon the issuance of a building permit for any building requiring a connection to services.

The amounts receivable under these agreements is \$2,330,076 (2021 - \$2,990,235).

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

5. Employee future benefit obligations:

The Town extends non-pension retirement benefits for medical and dental benefits to a maximum of \$5,000 per year, for full time employees for ten years after retirement or to age 65, whichever comes first. To be eligible an employee must be at least age 55 (age 50 for firefighters) and has at least 20 years of service with the Town. Employees with 15 years of service are eligible but will receive 50% of the normal benefit reimbursement.

An independent actuarial study of the employee non-pension benefits has been undertaken. The most recent valuation of the employee future benefits was undertaken for the year ended December 31, 2020, with an extrapolation effective at December 31, 2022.

The accrued benefit liability relating to the employee non-pension retirement benefits has been actuarially determined using the projected benefit method pro-rated on services.

The significant actuarial assumptions adopted in estimating the Town's accrued employee future benefits obligations liability are as follows:

| | |
|-------------------|---|
| Discount rate | 4.65% |
| Trend rates | 7.50% decreasing by 0.50% annually to 4.00% |
| Employee turnover | 4.50% decreasing to 1.00% after 25 years of service |
| Retirement age | Early age of 55 or age plus service totals 90 |
| Participation | 90.00% will elect family coverage and 10.00% will elect single coverage |
| Cost of coverage | \$4,370 in 2023 for family coverage and half for single coverage |

Information with respect to the Town's non-pension post-retirement benefits is as follows:

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Accrued benefit liability at beginning of year | \$ 552,384 | \$ 514,454 |
| Benefits accrued during the year | 44,288 | 43,492 |
| Benefits paid during the year | (34,200) | (25,400) |
| Interest on accrued benefit liability during the year | 11,914 | 11,448 |
| Amortization loss | 7,373 | 8,390 |
| Accrued benefit liability at end of year | \$ 581,759 | \$ 552,384 |

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Accrued future benefit obligation at end of year | \$ 492,841 | \$ 646,022 |
| Unamortized actuarial gain (loss) | 88,918 | (93,638) |
| Accrued benefit liability at end of year | \$ 581,759 | \$ 552,384 |

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

6. Deferred revenues:

Deferred revenues is comprised of the following:

| | 2022 | 2021 |
|--|---------------------|---------------------|
| Deferred revenue – grants and other | \$ 405,472 | \$ 145,190 |
| Deferred revenue – development contributions | 789,101 | – |
| Deferred revenue – obligatory reserve funds: | | |
| Ontario Community Infrastructure Fund ("OCIF") | 669,975 | – |
| Development charges | 6,105,320 | 3,615,751 |
| Recreational land | 460,042 | 221,608 |
| Parking | 14,030 | 14,030 |
| Canada Community Building Fund ("CCBF") (formerly "Federal Gas Tax") | 396,377 | 552,331 |
| | <u>7,645,744</u> | <u>4,403,720</u> |
| | <u>\$ 8,840,317</u> | <u>\$ 4,548,910</u> |

A requirement of public sector accounting standards of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as Provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded.

The transactions for the year are summarized below:

| | OCIF | Development charges | Recreational land | Parking | CCBF | Total |
|-------------------------------|-------------------|---------------------|-------------------|------------------|-------------------|---------------------|
| January 1, 2022 | \$ – | \$ 3,615,751 | \$ 221,608 | \$ 14,030 | \$ 552,331 | \$ 4,403,720 |
| Government grants | 1,134,315 | – | – | – | 337,576 | 1,471,891 |
| Contributions from developers | – | 2,630,787 | 307,698 | – | – | 2,938,485 |
| Interest | 39,900 | 268,365 | 5,586 | – | – | 313,851 |
| Transfer to revenue | (504,240) | (409,583) | (74,850) | – | (493,530) | (1,482,203) |
| December 31, 2022 | <u>\$ 669,975</u> | <u>\$ 6,105,320</u> | <u>\$ 460,042</u> | <u>\$ 14,030</u> | <u>\$ 396,377</u> | <u>\$ 7,645,744</u> |

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

7. Long-term liabilities:

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

| | 2022 | 2021 |
|--|---------------------|---------------------|
| Total long-term liabilities incurred by the municipality including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to: | \$ 3,630,982 | \$ 3,780,705 |
| Ontario Infrastructure and Land Corporation loan with maturity date 2040, with interest rate 3.40%. | 240,288 | 352,663 |
| Ontario Infrastructure and Land Corporation loan with maturity date 2024 with interest rate of 4.49%. | 936,378 | 1,209,040 |
| Mutura (0.00%), with maturity date February 2022. | – | 259,980 |
| | <u>\$ 4,807,648</u> | <u>\$ 5,602,388</u> |

- (b) Of the municipal debt shown above, the payment of principal and interest charges for the Mississippi Valley Conservation Authority ("MVCA") of \$3,630,982 (2021 - \$3,780,705) are recovered from the MCVA. Accordingly, a receivable has been recorded as disclosed in note 4(a).

- (c) Principal payments fall due as follows:

| | User charges | From others | Total |
|------------|--------------------|---------------------|---------------------|
| 2023 | \$ 414,222 | \$ 154,859 | \$ 569,081 |
| 2024 | 430,210 | 160,169 | 590,379 |
| 2025 | 332,234 | 165,661 | 497,895 |
| 2026 | – | 171,342 | 171,342 |
| 2027 | – | 177,214 | 177,214 |
| Thereafter | – | 2,801,737 | 2,801,737 |
| | <u>\$1,176,666</u> | <u>\$ 3,630,982</u> | <u>\$ 4,807,648</u> |

- (d) Interest paid on long term liabilities is \$193,807 (2021 - \$205,046).

- (e) These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

8. Obligations under capital leases:

In 2022, the Town financed certain vehicles by entering into capital leasing arrangements. Capital lease repayments are due as follows:

| | 2022 |
|---|------------|
| 2023 | \$ 70,848 |
| 2024 | 70,848 |
| 2025 | 56,114 |
| Total minimum lease payments | 197,810 |
| Less amount representing interest | (19,532) |
| Present value of minimum lease payments | \$ 178,278 |

Interest paid on the obligations under capital leases is \$2,776 (2021 - \$nil).

9. Tangible capital assets:

The net book value of tangible capital assets is as follows:

| | 2022 | 2021 |
|------------------------------|----------------|---------------|
| General capital: | | |
| Land | \$ 6,963,218 | \$ 5,481,769 |
| Land improvements | 3,807,288 | 4,024,786 |
| Buildings | 15,702,336 | 14,652,600 |
| Machinery and equipment | 526,318 | 432,705 |
| Vehicles | 1,762,236 | 1,732,415 |
| | 28,761,396 | 26,324,275 |
| Infrastructure: | | |
| Land improvements | 47,310 | 50,113 |
| Building | 14,368,485 | 14,771,198 |
| Machinery and equipment | 7,177,516 | 7,213,795 |
| Linear assets | 55,153,110 | 56,471,174 |
| Bridges and culverts | 2,043,746 | 107,432 |
| | 78,790,167 | 78,613,712 |
| Construction in progress | 22,549,531 | 14,216,815 |
| Vehicles under capital lease | 178,278 | - |
| | \$ 130,279,372 | \$119,154,802 |

For additional information, see Schedule 2 - Tangible Capital Assets.

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

10. Municipal equity:

Municipal equity consists of:

| | 2022 | 2021 |
|--|-----------------------|-----------------------|
| Investment in intangible capital assets: | | |
| Tangible capital assets | \$ 130,279,372 | \$ 119,154,802 |
| Long-term liabilities | (1,176,666) | (1,821,683) |
| Obligations under capital leases | (178,278) | - |
| Unfinanced capital projects | (7,969,274) | (3,179,671) |
| | <u>120,955,154</u> | <u>114,153,448</u> |
| Deficit | (622,124) | (370,904) |
| Unfunded post retirement benefits | (581,759) | (552,384) |
| Reserves (Schedule 1) | 34,559,734 | 32,391,370 |
| Reserve Funds (Schedule 1) | 1,394,163 | 1,394,163 |
| | <u>\$ 155,705,168</u> | <u>\$ 147,015,693</u> |

11. Pension contributions:

The Town makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Town does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements.

The latest available report for the OMERS plan was at December 31, 2022. At that time, the plan reported a \$6.7 billion actuarial deficit (2021 - \$3.1 billion actuarial deficit).

For the year ended December 31, 2022, the amount contributed to OMERS was \$629,465 (2021 - \$593,073) for current services and is included as an expense on the Consolidated Statement of Operations and Municipal Equity classified under the appropriate functional expenditure.

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

12. Provincial offences administration:

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

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

The Town's share of net revenues arising from operation of the POA office of \$32,811 (2021 - \$33,723) are recorded as government transfers revenue on the Consolidated Statement of Operations and Municipal Equity. The revenue of the court office consists of fines levied under Parts I and III (including delay penalties) for POA charges filed in the Perth court.

If fines are paid at other court offices, the receipt is recorded in the Integrated Courts Operation Network System ("ICON") operated by the Province of Ontario. Revenue is recognized when receipt of funds is recorded by the provincial ICON system regardless of the location where payment is made.

The Town shares net POA revenues based on weighted assessment.

13. Commitments:

- (a) In 1997, the Town entered into a fixed price contract with the Ontario Clean Water Agency to manage the water treatment plant and the sewage treatment plant. The operational costs are subject to inflationary increases and the Town is responsible for capital costs and emergency use costs. The contract expires December 2023.

Included in the Consolidated Statement of Operations and Municipal Equity are the costs paid to the Ontario Clean Water Agency of \$1,219,128 (2021 - \$1,315,999) for the sewage plant and \$808,739 (2021 - \$776,671) for the water treatment plant.

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

13. Commitments (continued):

- (b) The Town entered into an agreement with GFL Environmental to provide solid waste collection and disposal services. The contract with GFL Environmental is for a period of five (5) years to September 28, 2025, with two additional one-year extensions possible. Annual charges are based on the number of households, volumes of material processed / disposed, and annual inflation adjustments.

Included within the Consolidated Statement of Operations and Municipal Equity is payment for collection of \$359,686 (2021 - 294,539) and payment for disposal of \$313,438 (2021 - \$322,566).

- (c) The Town entered into an agreement with Emterra Environmental to provide recycling collection and processing services. The contract with Emterra Environmental is for a period of two and a half (2.5) years to June 30, 2023, with three (3) additional one (1) year extensions possible. Annual charges are based on the number of households, volumes of material processed / disposed, and annual inflation adjustments.

Included within the Consolidated Statement of Operations and Municipal Equity is payments for collection of \$503,418 (2021 - \$456,658) and payments for processing of \$89,022 (2021 - \$88,225).

- (d) The Town has negotiated a long-term contract with the Ontario Provincial Police for the provision of policing services. The contract ends December 2024. Annual charges are determined based on level of service and are reconciled to actual costs in the following year. The contractual expense for 2022 was \$2,450,488 (2021 - \$2,396,376).

- (e) The Town has entered into a long-term lease agreement (99 years) with the Upper Canada District School Board for the childcare centre property. The financial considerations was \$1 in 2021 and \$13,671 in 2022 as additional land was added due to the expansion of the child care centre. Annual financial considerations include upkeep and maintenance of the shared driveway.

- (f) The Town entered into boundary restructuring agreements with Beckwith Township. In consideration of jurisdictional rights, the Town has agreed to compensate Beckwith Township for the municipal share of taxes levied for a maximum 40 years. For the agreement expiring December 31, 2036, the compensation is 30% of the municipal share of taxes. For the agreement expiring December 31, 2051, the compensation is 30% of the municipal share of commercial taxes levied and a one-time payment equivalent to the Beckwith development charge for residential units on new residential units. Payments under these agreements for the year ended December 31, 2022 were \$488,194 (2021 - \$354,440).

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

13. Commitments (continued):

- (g) The Town has entered into a boundary restructuring agreement with the Town of Mississippi Mills. In consideration of jurisdictional rights, the Town has agreed to compensate the Town of Mississippi Mills for 30% of commercial taxes levied and a one time payment equivalent to the Mississippi Mills development charge for residential units on new residential units for a maximum of 40 years. The agreement expires December 31, 2051. Payments under these agreements for the year ended December 31, 2022 were \$nil (2021 - \$nil).

14. Contingent liabilities:

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2022, management believes that the Town has valid defences and appropriate and adequate insurance coverages in place.

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

15. Segmented information:

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

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

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

The accounting policies used in the segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2.

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

15. Segmented Information (continued):

| For the year ended December 31, 2022 | General Government | Protection to Persons and Property | Transportation Services | Environmental Services | Social and Family Services | Recreation and Cultural Services | Planning and Development | Total |
|---|--------------------|------------------------------------|-------------------------|------------------------|----------------------------|----------------------------------|--------------------------|---------------|
| Revenue: | | | | | | | | |
| Property taxation | \$ 13,565,812 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 183,972 | \$ 13,749,784 |
| User charges | 423,305 | 327,616 | 232,452 | 5,936,493 | 2,060,024 | 1,160,650 | 319,727 | 10,460,267 |
| Government transfers | 521,423 | 8,699 | 5,498,017 | 345,244 | 2,072,186 | 700,057 | 58,827 | 9,204,452 |
| Licenses and permits | 86,729 | 1,412,597 | 4,100 | - | - | - | 19,420 | 1,522,846 |
| Investment income | 868,513 | - | - | - | - | 2,580 | - | 871,093 |
| Penalties and interest on tax | 204,940 | - | - | - | - | - | - | 204,940 |
| Other revenue | 129,232 | 23,756 | 9,212 | 19,470 | 2,561 | 662,127 | 3,103 | 849,461 |
| | 15,799,954 | 1,772,667 | 5,743,781 | 6,301,207 | 4,134,771 | 2,525,414 | 565,049 | 36,862,843 |
| Expenses: | | | | | | | | |
| Salaries, wages and benefits | 1,771,787 | 1,711,203 | 1,376,803 | 658,884 | 2,980,675 | 1,874,738 | 505,834 | 10,861,924 |
| Interest on long-term liabilities | - | 122,016 | - | 57,204 | 14,587 | - | - | 193,807 |
| Materials and services | 1,594,436 | 3,192,503 | 1,464,119 | 4,016,638 | 499,525 | 1,514,658 | 541,347 | 12,823,226 |
| Amortization | 62,984 | 142,107 | 1,480,666 | 1,610,904 | 105,280 | 420,154 | - | 3,822,095 |
| Loss on disposal of tangible capital assets | - | 111,894 | 123,240 | 217,182 | - | - | - | 452,316 |
| Inter-functional adjustments | (501,000) | 192,250 | - | 358,000 | - | - | (47,250) | - |
| | 2,928,207 | 5,471,973 | 4,446,828 | 6,916,812 | 3,600,067 | 3,809,550 | 999,931 | 28,173,368 |
| Annual surplus (deficit) | \$ 12,871,747 | \$ (3,699,306) | \$ 1,296,953 | \$ (615,605) | \$ 534,704 | \$ (1,284,136) | \$ (414,882) | \$ 8,689,475 |

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

15. Segmented information (continued):

| For the year ended December 31, 2021 | General Government | Protection to Persons and Property | Transportation Services | Environmental Services | Social and Family Services | Recreation and Cultural Services | Planning and Development | Total |
|---|--------------------|------------------------------------|-------------------------|------------------------|----------------------------|----------------------------------|--------------------------|---------------|
| Revenue: | | | | | | | | |
| Property taxation | \$ 12,330,041 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 168,543 | \$ 12,498,584 |
| User charges | 217,006 | 323,178 | 205,307 | 6,104,430 | 1,546,417 | 587,485 | 211,993 | 9,195,816 |
| Government transfers | 755,111 | 13,661 | 1,435,631 | 140,917 | 1,713,042 | 1,296,562 | 107,272 | 5,462,196 |
| Licenses and permits | 67,298 | 745,102 | 3,100 | - | - | - | 39,143 | 854,643 |
| Investment income | 317,158 | - | - | - | - | 749 | - | 317,907 |
| Penalties and interest on tax | 296,250 | - | - | - | - | - | - | 296,250 |
| Other revenue | 35,276 | 31,702 | 16,985 | 108,707 | 1,830 | 235,436 | 2,490 | 432,426 |
| | 14,018,140 | 1,113,643 | 1,661,023 | 6,354,054 | 3,261,289 | 2,120,232 | 529,441 | 29,057,822 |
| Expenses: | | | | | | | | |
| Salaries, wages and benefits | 1,554,327 | 1,630,595 | 1,338,670 | 633,810 | 2,547,715 | 1,601,550 | 482,651 | 9,789,318 |
| Interest on long-term liabilities | - | 132,246 | - | 53,332 | 19,468 | - | - | 205,046 |
| Materials and services | 1,050,439 | 3,065,162 | 1,205,880 | 4,026,122 | 537,226 | 1,099,904 | 497,316 | 11,482,039 |
| Amortization | 51,403 | 144,682 | 1,585,485 | 1,589,733 | 105,280 | 400,821 | - | 3,877,404 |
| Loss on disposal of tangible capital assets | - | - | 33,157 | 108,951 | - | - | - | 142,108 |
| Inter-functional adjustments | (312,519) | 119,800 | (114,000) | 351,514 | 5 | - | (44,800) | - |
| | 2,343,650 | 5,092,475 | 4,049,192 | 6,763,462 | 3,209,694 | 3,102,275 | 935,167 | 25,495,915 |
| Annual surplus (deficit) | \$ 11,674,490 | \$ (3,978,832) | \$ (2,388,169) | \$ (409,408) | \$ 51,595 | \$ (982,043) | \$ (405,726) | \$ 3,561,907 |

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

16. Budget figures:

The 2022 budget amounts that were approved were not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Board Standards). The budget included capital items such as infrastructure replacements and estimated costs for constructed assets, as program expenses, but the actual expenses have been removed in the Consolidated Statement of Operations and Municipal Equity. The revenues attributable to these items continue to be included in the Consolidated Statement of Operations and Municipal Equity, resulting in a significant variance. The following analysis is provided to assist readers in their understanding of differences between the approved budget and the audited financial statements:

| | Budget |
|--|----------------|
| Total revenues | \$ 33,112,411 |
| Total expenses | (32,092,839) |
| Net revenues | 1,019,572 |
| Amortization | 4,023,676 |
| Adjusted net revenues | 5,043,248 |
| Capital expenses | (32,039,881) |
| Principal repayments on long-term debt | (279,752) |
| Increase post employment benefits | (29,534) |
| Decrease in operating surplus | (27,305,919) |
| Allocated as follows: | |
| Net change in unfinanced capital | (6,767,840) |
| Net transfers (to) from reserves | (17,827,869) |
| Year end operating surplus | (2,710,210) |
| | \$(27,305,919) |

17. Comparative information:

Certain comparative information has been reclassified to conform with the consolidated financial statement presentation adopted for the current year.

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Schedule 1 – Continuity of reserves and reserve funds

Year ended December 31, 2022

| | Budget 2022 | Actual 2022 | Actual 2021 |
|---|----------------|----------------|----------------|
| | (note 16) | | |
| Investment income | \$ - | \$ 274,279 | \$ 34,298 |
| Net transfers from (to) other funds | (17,827,869) | 1,894,085 | 234,086 |
| Reserves and reserve fund balance, change in year | (17,827,869) | 2,168,364 | 268,384 |
| Reserves and reserve fund balance, beginning of year | 33,785,533 | 33,785,533 | 33,517,149 |
| Reserves and reserve fund balances, end of year | \$ 15,957,664 | \$ 35,953,897 | \$ 33,785,533 |

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Schedule 1 – Continuity of reserves and reserve funds (continued)

Year ended December 31, 2022

| | 2022 | 2021 |
|--|----------------------|----------------------|
| Reserves set aside for general purposes: | | |
| Working funds | \$ 1,026,957 | \$ 1,026,957 |
| Asset replacement funds: | | |
| Sewer | 5,538,089 | 4,876,695 |
| Water | 5,538,088 | 4,876,695 |
| Replacement of equipment | 200,917 | 52,812 |
| Insurance | 31,122 | 31,122 |
| Debenture repayment | 341,226 | 601,206 |
| | <u>12,676,399</u> | <u>11,465,487</u> |
| Reserves set aside for service purposes: | | |
| General government | 4,223,746 | 4,624,378 |
| Protection services | 3,393,447 | 2,868,110 |
| Transportation services: | | |
| Roadways | 1,508,851 | 1,439,161 |
| Winter control | 74,231 | 74,231 |
| Parking | 24,529 | 24,529 |
| Street lighting | 311,152 | 495,417 |
| Environmental services: | | |
| Wastewater system | 4,325,120 | 4,324,619 |
| Waterworks system | 4,324,120 | 4,324,619 |
| Health services | 339,470 | 339,500 |
| Social and family services | 1,606,660 | 1,115,193 |
| Recreation and cultural services: | | |
| Recreation facilities | 1,160,758 | 652,734 |
| Library | 206,126 | 262,750 |
| Museums | 79,844 | 112,002 |
| Cultural services | 134,195 | 115,546 |
| Planning and development | 138,731 | 138,731 |
| Business Improvement Area | 32,355 | 14,363 |
| | <u>21,883,335</u> | <u>20,925,883</u> |
| Total reserves | <u>34,559,734</u> | <u>32,391,370</u> |
| Reserve funds: | | |
| Hydro reserve fund | 1,394,163 | 1,394,163 |
| Total reserves and reserve funds | <u>\$ 35,953,897</u> | <u>\$ 33,785,533</u> |

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Schedule 2 – 2022 Tangible capital assets

Year ended December 31, 2022

| Asset class | Cost 01/01/22 | Additions | Disposals | Cost 31/12/22 |
|------------------------------|-----------------------|----------------------|-----------------------|-----------------------|
| General capital: | | | | |
| Land | \$ 5,481,769 | \$ 1,481,449 | \$ – | \$ 6,963,218 |
| Land improvements | 6,208,028 | – | – | 6,208,028 |
| Buildings | 20,117,001 | 1,416,091 | – | 21,533,092 |
| Machinery and equipment | 1,608,251 | 185,316 | (225,326) | 1,568,241 |
| Vehicles | 4,660,291 | 485,257 | (698,843) | 4,446,705 |
| General capital total | 38,075,340 | 3,568,113 | (924,169) | 40,719,284 |
| Infrastructure: | | | | |
| Land improvements | 327,601 | – | – | 327,601 |
| Building | 24,205,927 | – | – | 24,205,927 |
| Machinery and equipment | 9,966,162 | 162,001 | – | 10,128,163 |
| Linear assets | 105,921,964 | 1,212,437 | (777,764) | 106,356,637 |
| Bridges and culverts | 499,050 | 1,945,435 | – | 2,444,485 |
| Infrastructure total | 140,920,704 | 3,319,873 | (777,764) | 143,462,813 |
| Construction in progress | 14,216,815 | 11,498,229 | (3,165,513) | 22,549,531 |
| Vehicles under capital lease | – | 178,278 | – | 178,278 |
| Grand total | \$ 193,212,859 | \$ 18,564,493 | \$ (4,867,446) | \$ 206,909,906 |

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Schedule 2 – 2022 Tangible capital assets (continued)

Year ended December 31, 2022

| Asset class | Accumulated amortization 01/01/22 | Amortization | Disposals | Accumulated amortization 31/12/22 | Net book value 31/12/22 |
|----------------------------------|---|---------------------|-----------------------|---|-------------------------------|
| General capital: | | | | | |
| Land | \$ – | \$ – | \$ – | \$ – | \$ 6,963,218 |
| Land improvements | 2,183,242 | 217,498 | – | 2,400,740 | 3,807,288 |
| Buildings | 5,464,401 | 366,355 | – | 5,830,756 | 15,702,336 |
| Machinery and equipment | 1,175,546 | 84,816 | (218,439) | 1,041,923 | 526,318 |
| Vehicles | 2,927,876 | 254,521 | (497,928) | 2,684,469 | 1,762,236 |
| General capital total | 11,751,065 | 923,190 | (716,367) | 11,957,888 | 28,761,396 |
| Infrastructure: | | | | | |
| Land improvements | 277,488 | 2,803 | – | 280,291 | 47,310 |
| Building | 9,434,729 | 402,713 | – | 9,837,442 | 14,368,485 |
| Machinery and equipment | 2,752,367 | 198,280 | – | 2,950,647 | 7,177,516 |
| Linear assets | 49,450,790 | 2,285,988 | (533,251) | 51,203,527 | 55,153,110 |
| Bridges and culverts | 391,618 | 9,121 | – | 400,739 | 2,043,746 |
| Infrastructure total | 62,306,992 | 2,898,905 | (533,251) | 64,672,646 | 78,790,167 |
| Construction in progress | – | – | – | – | 22,549,531 |
| Vehicles under capital lease | – | – | – | – | 178,278 |
| Grand total | \$74,058,057 | \$ 3,822,095 | \$ (1,249,618) | \$ 76,630,534 | \$ 130,279,372 |

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Schedule 2 – 2022 Tangible capital assets

Year ended December 31, 2021

| Asset class | Cost 01/01/21 | Additions | Disposals | Cost 31/12/21 |
|------------------------------|-----------------------|----------------------|-----------------------|-----------------------|
| General capital: | | | | |
| Land | \$ 5,518,556 | \$ – | \$ (36,787) | \$ 5,481,769 |
| Land improvements | 6,099,259 | 108,769 | – | 6,208,028 |
| Buildings | 19,682,783 | 434,218 | – | 20,117,001 |
| Machinery and equipment | 1,556,534 | 83,933 | (32,216) | 1,608,251 |
| Vehicles | 4,506,259 | 321,393 | (167,361) | 4,660,291 |
| General capital total | 37,363,391 | 948,313 | (236,364) | 38,075,340 |
| Infrastructure: | | | | |
| Land improvements | 327,601 | – | – | 327,601 |
| Building | 24,205,927 | – | – | 24,205,927 |
| Machinery and equipment | 9,644,941 | 321,221 | – | 9,966,162 |
| Linear assets | 104,557,151 | 2,359,882 | (995,069) | 105,921,964 |
| Bridges and culverts | 499,050 | – | – | 499,050 |
| Infrastructure total | 139,234,670 | 2,681,103 | (995,069) | 140,920,704 |
| Construction in progress | 8,383,935 | 7,513,663 | (1,680,783) | 14,216,815 |
| Grand total | \$ 184,981,996 | \$ 11,143,079 | \$ (2,912,216) | \$ 193,212,859 |

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Schedule 2 – 2022 Tangible capital assets (continued)

Year ended December 31, 2021

| Asset class | Accumulated amortization 01/01/21 | Amortization | Disposals | Accumulated amortization 31/12/21 | Net book value 31/12/21 |
|-------------------------------------|---|---------------------|-----------------------|---|-------------------------------|
| General capital: | | | | | |
| Land | \$ – | \$ – | \$ – | \$ – | \$ 5,481,769 |
| Land improvements | 1,965,413 | 217,829 | – | 2,183,242 | 4,024,786 |
| Buildings | 5,122,922 | 341,479 | – | 5,464,400 | 14,652,600 |
| Machinery and equipment | 1,112,440 | 95,322 | (32,216) | 1,175,547 | 432,705 |
| Vehicles | 2,628,282 | 427,388 | (127,794) | 2,927,877 | 1,732,415 |
| General capital total | 10,829,057 | 1,082,018 | (160,010) | 11,751,066 | 26,324,275 |
| Infrastructure: | | | | | |
| Land improvements | 274,686 | 2,802 | – | 277,488 | 50,113 |
| Building | 9,032,016 | 402,713 | – | 9,434,729 | 14,771,198 |
| Machinery and equipment | 2,575,501 | 176,866 | – | 2,752,367 | 7,213,795 |
| Linear assets | 48,124,740 | 2,203,884 | (877,834) | 49,450,790 | 56,471,174 |
| Bridges and culverts | 382,497 | 9,121 | – | 391,618 | 107,432 |
| Infrastructure total | 60,389,440 | 2,795,386 | (877,834) | 62,306,992 | 78,613,712 |
| Construction in progress | – | – | – | – | 14,216,815 |
| Grand total | \$71,218,497 | \$ 3,877,404 | \$ (1,037,844) | \$ 74,058,057 | \$ 119,154,802 |

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Schedule 3 – Childcare Operations (Unaudited)

Year ended December 31, 2022

| | Francis Street | Carambeck Community Centre | Total |
|---|-------------------|----------------------------------|---------------------|
| Administration: | | | |
| Administration: | | | |
| Donations | \$ 2,558 | \$ 3 | \$ 2,561 |
| Ontario conditional grant | 10,888 | – | 10,888 |
| Other municipalities | 1,300,780 | 956 | 1,301,736 |
| User charges | 2,429 | – | 2,429 |
| Salaries and wages | (103,320) | (129,423) | (232,743) |
| Employee benefits | (32,827) | (30,870) | (63,697) |
| Contracted services | (34,951) | (29) | (34,980) |
| Materials | (37,848) | (14,517) | (52,365) |
| Rents and financial expenses | (6,936) | 44 | (6,892) |
| Inter-functional adjustments | (11) | – | (11) |
| Transfer to capital reserve | (474,393) | – | (474,393) |
| Amortization of tangible capital assets | (105,280) | – | (105,280) |
| | 521,089 | (173,836) | 347,253 |
| Building Maintenance: | | | |
| Salaries and wages | (83,720) | (2,818) | (86,538) |
| Employee benefits | (21,106) | (502) | (21,608) |
| Interest on long-term liabilities | (14,587) | – | (14,587) |
| Contracted services | (36,315) | (6,979) | (43,294) |
| Materials | (104,410) | (5,653) | (110,063) |
| Rents and financial expenses | 13,672 | (77,000) | (63,328) |
| Repayment of long-term liabilities | (114,954) | – | (114,954) |
| Transfer from reserve | 605 | – | 605 |
| Transfer to capital reserve | (23,000) | (15,000) | (38,000) |
| | (383,815) | (107,952) | (491,767) |
| COVID-19: | | | |
| Other municipalities | – | 8,478 | 8,478 |
| Salaries and wages | (9,909) | (5,724) | (15,633) |
| Employee benefits | (914) | (1,042) | (1,956) |
| Materials | (166) | (100) | (266) |
| | (10,989) | 1,612 | (9,377) |
| Administration total | \$ 126,285 | \$ (280,176) | \$ (153,891) |

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Schedule 3 – Childcare Operations (Unaudited) (continued)

Year ended December 31, 2022

| | Francis Street | Carambeck Community Centre | Total |
|----------------------|----------------|----------------------------------|--------------|
| Programs: | | | |
| Dietary: | | | |
| Salaries and wages | \$ (61,536) | \$ (61,263) | \$ (122,799) |
| Employee benefits | (14,244) | (14,073) | (28,317) |
| Contracted services | (1,875) | (214) | (2,089) |
| Materials | (83,461) | (45,737) | (129,198) |
| | (161,116) | (121,287) | (282,403) |
| Infant: | | | |
| Salaries and wages | 254 | – | 254 |
| Employee benefits | (239) | 14 | (225) |
| | 15 | 14 | 29 |
| Toddler: | | | |
| Other municipalities | 177,950 | – | 177,950 |
| User charges | 465,400 | – | 465,400 |
| Salaries and wages | (544,612) | – | (544,612) |
| Employee benefits | (131,280) | – | (131,280) |
| Contracted services | (2,032) | – | (2,032) |
| Materials | (3,377) | – | (3,377) |
| | (37,951) | – | (37,951) |
| Pre-School: | | | |
| Other municipalities | 368,064 | – | 368,064 |
| User charges | 965,956 | – | 965,956 |
| Salaries and wages | (983,390) | – | (983,390) |
| Employee benefits | (252,320) | – | (252,320) |
| Contracted services | (1,747) | – | (1,747) |
| Materials | (5,603) | – | (5,603) |
| | 90,960 | – | 90,960 |
| Junior School Age: | | | |
| Other municipalities | – | 10,241 | 10,241 |
| User charges | – | 63,516 | 63,516 |
| Salaries and wages | – | (40,941) | (40,941) |
| Employee benefits | – | (7,999) | (7,999) |
| Contracted services | – | (12,010) | (12,010) |
| Materials | – | (1,744) | (1,744) |
| | – | 11,063 | 11,063 |
| Kinder: | | | |
| Other municipalities | 38,770 | 76,606 | 115,376 |
| User charges | 39,099 | 207,908 | 247,007 |
| Salaries and wages | (11,309) | (144,721) | (156,030) |
| Employee benefits | (3,192) | (34,926) | (38,118) |
| Contracted services | (224) | (10,675) | (10,899) |
| Materials | – | (1,717) | (1,717) |
| | 63,144 | 92,475 | 155,619 |

THE CORPORATION OF THE TOWN OF CARLETON PLACE

Schedule 3 – Childcare Operations (Unaudited) (continued)

Year ended December 31, 2022

| | Francis Street | Carambeck Community Centre | Total |
|------------------------------|----------------|----------------------------------|-------------|
| Programs (continued): | | | |
| Nursery: | | | |
| Other municipalities | \$ – | \$ 1,798 | \$ 1,798 |
| User charges | – | 5,422 | 5,422 |
| Salaries and wages | – | (4,187) | (4,187) |
| Employee benefits | – | (1,366) | (1,366) |
| | – | 1,667 | 1,667 |
| School Aged: | | | |
| Other municipalities | – | 77,655 | 77,655 |
| User charges | – | 310,295 | 310,295 |
| Salaries and wages | – | (198,905) | (198,905) |
| Employee benefits | – | (48,265) | (48,265) |
| Contracted services | – | (10,540) | (10,540) |
| Materials | – | (2,055) | (2,055) |
| | – | 128,185 | 128,185 |
| Programs total | (44,948) | 112,117 | 67,169 |
| Grand total | \$ 81,337 | \$ (168,059) | \$ (86,722) |