

The Corporation of the Municipality of Calvin
Financial Statements
For the year ended December 31, 2024

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Financial Statements
For the year ended December 31, 2024

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Municipality of Calvin

Qualified Opinion

We have audited the financial statements of The Corporation of the Municipality of Calvin (the Municipality), which comprise of the statement of financial position as at December 31, 2024, the statements of operations and accumulated surplus, changes in net financial liabilities and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Effective January 1, 2023, the Municipality was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retroactive application method, the asset retirement obligation on transition is to be recorded using assumptions as of January 1, 2023. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. Management has not been able to complete its assessment of the tangible capital assets for potential retirement obligations. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended December 31, 2024 and 2023, tangible capital assets and the asset retirement obligation as at December 31, 2024 and 2023, and accumulated surplus as at January 1 and December 31 for both the 2024 and 2023 years.

As a result of PS 3280 not being adopted, the Municipality accounts for its landfill closure and post-closure liability in accordance with the withdrawn PS Section 3270, Solid Waste Landfill Closure and Post-Closure Liability. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended December 31, 2024 and 2023, landfill closure and post-closure liability as at December 31, 2024 and 2023, and accumulated surplus as at January 1 and December 31, for both the 2024 and 2023 years.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
October 31, 2025

The Corporation of the Municipality of Calvin

Statement of Financial Position

December 31	2024	2023
Financial assets		
Cash and cash equivalents	\$ 803,805	\$ 1,196,628
Investments (Note 2)	136,210	129,568
Accounts receivable (Note 3)	120,712	135,027
Taxes receivable (Note 5)	214,484	279,249
	<u>1,275,211</u>	<u>1,740,472</u>
Liabilities		
Accounts payable (Note 6)	267,169	179,558
Deferred revenue - general	20,983	20,983
Deferred revenue - obligatory reserve funds (Note 9)	294,473	590,964
Long-term debt (Note 7)	1,855,299	1,119,781
Landfill closure and post closure accrual (Note 8)	655,125	657,958
	<u>3,093,049</u>	<u>2,569,244</u>
Net financial liabilities	<u>(1,817,838)</u>	<u>(828,772)</u>
Non-financial assets		
Tangible capital assets (Note 4)	4,045,820	3,390,226
Inventories	29,151	24,272
Prepaid expenses	9,254	8,767
	<u>4,084,225</u>	<u>3,423,265</u>
Accumulated surplus (Note 10)	<u>\$ 2,266,387</u>	<u>\$ 2,594,493</u>

Commitments (Note 11)

Contingent Liabilities (Note 14)

On behalf of Council:

Signed by: Richard Gould, Mayor

Signed by: W. Martens, Deputy Mayor

The Corporation of the Municipality of Calvin Statement of Operations and Accumulated Surplus

For the year ended December 31	2024 (Note 12) Budget	2024 Actual	2023 Actual
Revenues			
Taxation	\$ 1,708,228	\$ 1,732,647	\$ 1,553,450
User charges and other	265,787	237,181	153,604
Government transfers	367,396	711,945	254,388
	<u>2,341,411</u>	<u>2,681,773</u>	<u>1,961,442</u>
Expenses			
Transportation	686,961	782,855	668,262
General government	649,559	836,852	532,355
Protection to persons and property	161,780	304,397	251,523
Social and family services	322,535	321,065	310,587
Environmental services	104,683	83,039	301,320
Health services	18,667	18,582	18,572
Recreation and culture	27,637	82,333	68,283
Planning and development	188,923	46,532	31,199
	<u>2,160,745</u>	<u>2,475,655</u>	<u>2,182,101</u>
Annual surplus (deficit) before undernoted item	180,666	206,118	(220,659)
Cassellholme redevelopment commitment (Note 7)	-	(534,224)	(45,128)
Annual surplus (deficit)	180,666	(328,106)	(265,787)
Accumulated surplus, beginning of year	<u>2,594,493</u>	<u>2,594,493</u>	<u>2,860,280</u>
Accumulated surplus, end of year	<u>\$ 2,775,159</u>	<u>\$ 2,266,387</u>	<u>\$ 2,594,493</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Municipality of Calvin Statement of Changes in Net Financial Liabilities

For the year ended December 31	2024 Budget (Note 12)	2024 Actual	2023 Actual
Annual surplus (deficit)	\$ 180,666	\$ (328,106)	\$ (265,787)
Acquisition of tangible capital assets	-	(896,320)	-
Amortization of tangible capital assets	-	218,240	201,089
Gain on disposition of tangible capital assets	-	22,486	-
	<u>180,666</u>	<u>(983,700)</u>	<u>(64,698)</u>
Change in supplies inventories	-	(4,879)	6,967
Change in prepaid expenses	-	(487)	(1,271)
	<u>-</u>	<u>(5,366)</u>	<u>5,696</u>
Increase in net financial liabilities	180,666	(989,066)	(59,002)
Net financial liabilities, beginning of year	<u>(828,772)</u>	<u>(828,772)</u>	<u>(769,770)</u>
Net financial liabilities, end of year	<u>\$ (648,106)</u>	<u>\$ (1,817,838)</u>	<u>\$ (828,772)</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Municipality of Calvin

Statement of Cash Flows

For the year ended December 31 2024 2023

Cash provided by (used in)

Operating transactions

Annual deficit	\$ (328,106)	\$ (265,787)
Items not involving cash		
Amortization of tangible capital assets	218,240	201,089
Gain on disposition of tangible capital assets	22,486	-
Recognition of Cassellholme redevelopment commitment	534,224	45,128
Change in landfill closure and post-closure liability	(2,833)	238,220

444,011 218,650

Changes in non-cash operating balances

Taxes receivable	64,765	(48,724)
Accounts receivable	14,315	56,400
Accounts payable	87,611	(10,902)
Deferred revenue - general	-	3
Deferred revenue - obligatory reserve funds	(296,491)	95,896
Inventories	(4,879)	6,967
Prepaid expenses	(487)	(1,271)

308,845 317,019

Investing transactions

Purchase of investments	(6,642)	(1,069)
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Capital transactions

Acquisition of tangible capital assets	(896,320)	-
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Financing transactions

Increase in long-term debt	221,294	-
Repayment of long-term debt	(20,000)	(41,113)

201,294 (41,113)

(Decrease) increase in cash and cash equivalents
during the year

(392,823) 274,837

Cash and cash equivalents, beginning of year

1,196,628 921,791

Cash and cash equivalents, end of year

\$ 803,805 \$ 1,196,628

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Municipality of Calvin Summary of Significant Accounting Policies

December 31, 2024

Management Responsibility	The financial statements of The Corporation of the Municipality of Calvin (the "Municipality") are the representations of management. They have been prepared in accordance with Canadian public sector accounting standards ("PSAB"). The Municipality provides municipal services such as general government, fire, building, protection to persons, transportation, environmental, health, social, family, recreation, culture, planning and development services.
Non-consolidating Boards	The Municipality makes contributions to joint local boards that are not consolidated: - District of Nipissing Social Services Administration Board - North Bay Parry Sound District Health Unit - The Board of Management for the District of Nipissing East
Cash and Cash Equivalents	Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.
Inventories	Inventory of supplies are stated at the lower of cost and replacement cost.

The Corporation of the Municipality of Calvin Summary of Significant Accounting Policies

December 31, 2024

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Roads	10 to 45 years
Bridges and culverts	25 to 75 years
Buildings	10 to 50 years
Vehicles	10 to 15 years
Machinery and equipment	5 to 25 years
Land improvements	10 to 25 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.

Landfill Closure and Post-closure Accrual

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimation inflation, and are charged to expense as the landfill site's capacity is used.

Reserves and reserve funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Statement of Financial Position.

Deferred Revenue

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the statement of Financial Position. The revenue is reported on the Statement of Operations in the year in which it is used for a specified purpose.

The Corporation of the Municipality of Calvin Summary of Significant Accounting Policies

December 31, 2024

Pensions and Employee Benefit Plans

The Municipality accounts for its employee pension contributions as a defined contribution plan. Sick leave benefits are accrued as the employees render the services necessary to earn the benefits.

Collection of Taxes on Behalf of School Boards

The Municipality collects taxation revenue on behalf of the school boards. The taxation revenues, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements.

Trust Funds

Funds held in trust by the Municipality, and their related operations, are not included in these financial statements.

Revenue Recognition

a. Taxation

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.

b. User fees and other

User fees and other revenue are recognized on an accrual basis.

c. Government transfers

Government transfers are recognized in the financial statements as revenue in the period in which the transfer occurs and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Deferred Government transfers are recognized in revenue when the liability stipulation is settled.

The Corporation of the Municipality of Calvin Summary of Significant Accounting Policies

December 31, 2024

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant items subject to such estimates and assumptions include allowances for doubtful accounts, useful life of TCA assets, other accrued liabilities and/or obligations and landfill closure and post-closure liabilities.

In particular, management's estimate for the landfill closure and post-closure liability is subject to measurement uncertainty. The estimate is based on assumptions and calculations contained in an engineer's report completed in 2024, prorated as necessary for the passage of time and actual use of the landfill site. Actual results could differ significantly from those estimates because of the uncertainty related to future cost estimates and future use of the landfill site.

The Corporation of the Municipality of Calvin Summary of Significant Accounting Policies

December 31, 2024

Financial Instruments

Cash and portfolio instruments quoted in an active market are measured at fair value. Accounts receivable, accounts payable and accrued liabilities, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The Corporation of the Municipality of Calvin

Notes to Financial Statements

December 31, 2024

1. Financial Instruments

Classification

The carrying value of each class of the Municipality's financial instruments is provided in the following table.

	2024		
	Fair Value	Cost/ Amortized Cost	Total
Cash and cash equivalents	\$ 803,805	\$ -	\$ 803,805
Taxes and Accounts receivable	-	120,712	120,712
Guaranteed investments	136,210	-	136,210
Accounts payable and accrued liabilities	-	267,169	267,169
Long-term debt	-	1,855,299	1,855,299
	<u>\$ 940,015</u>	<u>\$ 2,243,180</u>	<u>\$ 3,183,195</u>

	2023		
	Fair Value	Cost / Amortized Cost	Total
Cash and cash equivalents	\$ 1,196,628	\$ -	\$ 1,196,628
Taxes and Accounts receivable	-	135,027	135,027
Guaranteed investments	129,568	-	129,568
Accounts payable and accrued liabilities	-	179,558	179,558
Long-term debt	-	1,119,781	1,119,781
	<u>\$ 1,326,196</u>	<u>\$ 1,434,366</u>	<u>\$ 2,760,562</u>

The Corporation of the Municipality of Calvin Notes to Financial Statements

December 31, 2024

1. Financial Instruments (continued)

Financial Instrument Fair Value Measurement

The following table provides an analysis of financial instruments that are measured at fair value, using a fair value hierarchy of levels 1 to 3. The levels reflect the significance of the inputs used in making the fair value measurements, as described below:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	2024			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 803,805	\$ -	\$ -	\$ 803,805

	2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 1,196,628	\$ -	\$ -	\$ 1,196,628

There were no transfers between Level 1 and Level 2 for the year ended December 31, 2024. There were also no transfers in or out of Level 3.

Financial Instrument Risk Management

The Municipality is exposed to credit risk, liquidity risk, interest rate risk and other price risk from its financial instruments. This note describes the Municipality's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

The Corporation of the Municipality of Calvin

Notes to Financial Statements

December 31, 2024

1. Financial Instruments (continued)

Credit Risk

Credit risk is the risk of financial loss to the Municipality if a debtor fails to make payments of interest and principal when due. It is management's opinion that the Municipality is not exposed to significant credit risk.

	0-30 days	31-90 days	91-365 days	1 to 2 years	3 to 10 years
Cash and cash equivalents \$	803,805	\$ -	\$ -	\$ -	-
Taxes receivable	76,708	-	115,880	18,272	3,624
Accounts receivable	117,567	-	3,145	-	-
Total	\$ 998,080	\$ -	\$ 119,025	\$ 18,272	\$ 3,624

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and equity risk.

Currency Risk

Current risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Municipality is not exposed to currency risk.

Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Municipality is not exposed to this risk.

The Corporation of the Municipality of Calvin

Notes to Financial Statements

December 31, 2024

1. Financial Instruments (continued)

Liquidity Risk

Liquidity risk is the risk that the Municipality will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Municipality will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Municipality is exposed to this risk mainly in respect of accounts payable and accrued liabilities and long-term debt. The Municipality's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. There have not been any changes to these risks from the prior year. Unless otherwise noted, the expected cash outflows are within one year. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	2024			
	Within 6 months	6 months to 1 year	1 to 5 years	over 5 years
Accounts payable	\$ 267,169	\$ -	\$ -	\$ -
Long-term debt	59,247	47,821	437,933	1,310,298
Total financial liabilities	\$ 326,416	\$ 47,821	\$ 437,933	\$ 1,310,298

	2023			
	Within 6 months	6 months to 1 year	1 to 5 years	over 5 years
Accounts payable	\$ 171,942	\$ 7,616	\$ -	\$ -
Long-term debt	10,000	10,000	10,000	1,089,781
Total financial liabilities	\$ 181,942	\$ 17,616	\$ 10,000	\$ 1,089,781

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Municipality is exposed to this risk through its long term debt.

The Municipality structures its finances so as to stagger the maturities of debt, thereby minimizing exposure to interest rate fluctuations.

The Corporation of the Municipality of Calvin Notes to Financial Statements

December 31, 2024

2. Investments

The Municipality has invested \$136,210 (2023 - \$129,568) in guaranteed investment certificates including accrued interest, maturing November 24, 2025 (2023 - November 21, 2024), bearing interest at 3.40%. Interest is recognized as it accrues in the Municipality's financial statements.

3. Accounts Receivable

	2024	2023
Government grants	\$ 8,592	\$ 45,934
Trade receivables	5,327	-
HST and other	106,793	89,093
	<u>\$ 120,712</u>	<u>\$ 135,027</u>

The Corporation of the Municipality of Calvin
Notes to Financial Statements

December 31, 2024

4. Tangible Capital Assets

	2024					
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Total
Cost, beginning of year	\$ 572,655	\$ 614,575	\$ 371,237	\$ 1,239,310	\$ 4,936,509	\$ 7,734,286
Additions	-	-	18,866	428,802	448,652	896,320
Disposals	-	-	(10,272)	(222,975)	(46,987)	(280,234)
Cost, end of year	572,655	614,575	379,831	1,445,137	5,338,174	8,350,372
Accumulated amortization, beginning of year	458,472	340,905	274,670	584,408	2,685,605	4,344,060
Amortization	4,150	23,140	20,724	74,817	95,409	218,240
Disposals	-	-	(10,272)	(211,863)	(35,613)	(257,748)
Accumulated amortization, end of year	462,622	364,045	285,122	447,362	2,745,401	4,304,552
Net carrying amount, end of year	\$ 110,033	\$ 250,530	\$ 94,709	\$ 997,775	\$ 2,592,773	\$ 4,045,820

The Corporation of the Municipality of Calvin
Notes to Financial Statements

December 31, 2024

4. Tangible Capital Assets (continued)

						2023
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Total
Cost, beginning of year	\$ 572,655	\$ 614,575	\$ 371,237	\$ 1,239,310	\$ 4,936,509	\$ 7,734,286
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Cost, end of year	572,655	614,575	371,237	1,239,310	4,936,509	7,734,286
Accumulated amortization, beginning of year	454,115	317,572	252,521	519,885	2,598,878	4,142,971
Amortization	4,357	23,333	22,149	64,523	86,727	201,089
Accumulated amortization, end of year	458,472	340,905	274,670	584,408	2,685,605	4,344,060
Net carrying amount, end of year	\$ 114,183	\$ 273,670	\$ 96,567	\$ 654,902	\$ 2,250,904	\$ 3,390,226

The Corporation of the Municipality of Calvin

Notes to Financial Statements

December 31, 2024

5. Taxes Receivable

	2024	2023
Current taxes	\$ 181,868	\$ 147,807
Taxes in Arrears	21,897	97,398
Penalties & Interest	12,719	36,044
Valuation Allowance	(2,000)	(2,000)
	<u>\$ 214,484</u>	<u>\$ 279,249</u>

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC). Tax rates are established annually by Council, incorporating amounts to be raised for local services, the requisition made by the various local boards in respect of Regional services and amounts the Municipality 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 issuance of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings.

6. Accounts Payable

	2024	2023
Trade payables	\$ 19,592	\$ 163,959
Accrued liabilities	200,000	-
Accrued payroll liabilities	47,577	15,599
	<u>\$ 267,169</u>	<u>\$ 179,558</u>

The Corporation of the Municipality of Calvin

Notes to Financial Statements

December 31, 2024

7. Long-term Debt

	2024	2023
Dump Truck Loan due April 2029, repayable in monthly payments of \$4,927 principal and interest at 6.80%,	\$ 221,294	\$ -
Ontario Infrastructure and Lands Corporation serial debenture due, repayable in semi-annual payments of \$10,000 principal and interest at 2.40%, secured by pledged future Provincial funding (i)	10,000	30,000
Cassellholme redevelopment commitment (ii)	1,624,005	1,089,781
	<u>\$ 1,855,299</u>	<u>\$ 1,119,781</u>

(i) Interest expense paid relating to the long-term debt on capital asset loans above is \$11,310 (2023 - \$1,080) and has been included in transportation services expense on the Statement of Operations.

(ii) The Corporation of the Municipality of Calvin is a participating municipality of a northern joint municipal home, The Board of Management for the District of Nipissing East ("Cassellholme"), and is responsible for its share of funding in accordance with the Fixing Long-Term Care Act 2021, S.O. 2021, c. 39, Sched. 1 (the "FLTCA"). During 2022, construction for the redevelopment and expansion of the existing 240-bed long-term care facility commenced and Cassellholme entered into a Financing Agreement with Ontario Infrastructure and Lands Corporation ("OILC") for the redevelopment project. In accordance with the FLTCA, the Municipality will be responsible for its share of annual principal and interest payments incurred by Cassellholme upon completion of the project, and interest-only payments on the construction loan up to completion. Based on a municipal borrowing rate of 4.53% for a 30-year period plus anticipated construction completion in 2028, the present value of these expected payments commencing in 2026 is \$1,624,005.

During 2022, the Municipality entered into a Guarantee and Postponement of Claims agreement with the Ontario Infrastructure and Lands Corporation ("OILC") for the redevelopment project. Under the terms of the agreement, the Municipality is named as a joint guarantor in regards to a Financing Agreement between Cassellholme and OILC. The obligations will be proportional from each Guarantor, and the Municipality's maximum liability is \$830,816 being the maximum amount of principal owing plus any accrued interest.

The Corporation of the Municipality of Calvin Notes to Financial Statements

December 31, 2024

7. Long-term Debt (continued)

Principal repayments for the next five years and thereafter are as follows:

2025	\$ 81,247
2026	73,745
2027	104,997
2028	119,429
2029	92,110
Thereafter	<u>1,383,771</u>
	<u>\$ 1,855,299</u>

8. Landfill Closure and Post-Closure Accrual

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the Municipality's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities. The reported liability as at year end was \$655,125 (2023 - \$657,958) and reflects a discount rate of 2.45% (2023 - 2.85%).

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfill. Future events could impact the established total expenses, capacity used or total capacity. If such events occur it would be treated as a change in estimate and dealt with prospectively.

The landfill is expected to reach its capacity in 25 years and the estimated current capacity is at 29,000 cubic metres which is 71.36% (2023 - 70.20%) of the site's total capacity based on an updated survey completed in December 2024. The total discounted estimated future expenditures for closure and post-closure care are \$898,965 (2023 - \$990,901) leaving an amount to be recognized of \$243,839 (2023 - \$332,943). The estimated length of time needed for post-closure care is 25 years.

Municipal reserves for the landfill site total \$185,557 (2023 - \$165,557).

The Corporation of the Municipality of Calvin Notes to Financial Statements

December 31, 2024

9. Deferred Revenue - Obligatory Reserves

	2024	2023
Deferred revenue, beginning of year:		
Recreational land (the Planning Act)	\$ 28,680	\$ 27,781
Canada Community-Building Fund contributions	253,644	246,585
Ontario Community Infrastructure Fund contributions	127,587	100,000
Northern Ontario Resource Development Support	181,053	120,702
	590,964	495,068
Received during the year:		
Recreational land (the Planning Act)	15,100	-
Canada Community-Building Fund	35,535	34,153
Ontario Community Infrastructure Fund	100,000	100,000
Northern Ontario Resource Development Support (NORDS)	60,351	60,351
Interest earned	13,933	21,215
Recognized during the year:		
Canada Community-Building Fund	(150,006)	(36,823)
Ontario Community Infrastructure Fund	(130,000)	(83,000)
Utilization of funds, NORDS	(241,404)	-
Deferred revenue, end of year	\$ 294,473	\$ 590,964
Comprised as follows:		
Recreational land (the Planning Act)	\$ 45,138	\$ 28,680
Canada Community-Building Fund	149,685	253,644
Ontario Community Infrastructure Fund	99,650	127,587
Northern Ontario Resource Development Support	-	181,053
	\$ 294,473	\$ 590,964

Canada Community-Building Fund (formerly "Gas Tax") revenue is provided by the Government of Canada. The use of the funding is established by the funding agreement signed between the Municipality and the Association of Municipalities of Ontario. Canada Community-Building Fund funding must be used towards designated projects as specified in the funding agreements.

In the case of payments in lieu of parkland, revenue recognition occurs when the Municipality has approved eligible expenditures for park and other public recreation purposes. Canada Community-Building and Ontario Community Infrastructure Fund revenue recognition occurs when the Municipality has approved the expenditures for eligible capital works. Historically, the Municipality has applied its Canada Community-Building and Infrastructure funding to local road and bridge improvements and landfill capacity building.

The Corporation of the Municipality of Calvin

Notes to Financial Statements

December 31, 2024

10. Accumulated Surplus

The Municipality segregates its accumulated surplus in the following categories:

	2024	2023
Investment in tangible capital assets	\$ 4,045,820	\$ 3,390,226
General surplus	(11,330)	110,946
Amounts to be recovered (i)	(2,514,454)	(1,781,769)
Reserves and reserve funds (ii)	746,351	875,090
	<u>\$ 2,266,387</u>	<u>\$ 2,594,493</u>

(i) Amounts to be recovered

	2024	2023
Long-term debt	\$ (1,855,299)	\$ (1,119,781)
Landfill closure and post-closure accrual	(655,125)	(657,958)
Employee benefits	(4,030)	(4,030)
	<u>\$ (2,514,454)</u>	<u>\$ (1,781,769)</u>

(ii) Reserves and reserve funds

Working funds	\$ 163,883	\$ 163,883
Sick leave	3,000	3,000
Building department	9,000	9,000
Fire department	159,517	181,767
Roads	26,263	167,752
Landfill	185,557	165,557
Algonquin Nursing Home	160,616	160,616
Emergency	3,007	3,007
Recreation	25,508	20,508
Legal	10,000	-
	<u>\$ 746,351</u>	<u>\$ 875,090</u>

11. Commitments

In 2016 the Municipality, in conjunction with the Town of Mattawa and the Townships of Papineau-Cameron and Mattawan, agreed in principle to jointly contribute \$3,809,500 over the next 25 years towards the capital redevelopment of the Algonquin Nursing Home. The payment terms including the distribution of the cost among the municipalities, have not yet been determined.

The Corporation of the Municipality of Calvin

Notes to Financial Statements

December 31, 2024

12. Budget

The Budget By-law adopted by Council on July 30, 2024 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenses in excess of current year revenues to \$Nil. In addition, the budget expensed all tangible capital expenses rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan adopted by Council on July 30, 2024 with adjustments as follows:

	<u>2024</u>
Budget By-law surplus for the year	\$ -
Add:	
Acquisition of tangible capital assets	896,320
Debt repayment	59,415
Transfers to reserve funds	60,000
Less:	
Amortization of tangible capital assets	218,240
Issuance of long-term liabilities	147,856
Transfers from reserve funds	188,739
Disposal of tangible capital assets	<u>280,234</u>
Budget surplus per Statement of Operations	<u>\$ 180,666</u>

13. Pension Agreements

The Municipality makes contributions to a group pension plan on behalf of certain members of its staff. Each member is required to contribute a specified percentage of earnings based on completed years of continuous employment, ranging from 1.5% to 4.5%. The Municipality is required to contribute an amount equal to each member's contributions.

The amount contributed to this plan for employers in 2024 was \$6,637 (2023 - \$6,345) for current services and is included as an expense on the Statement of Operations.

The Corporation of the Municipality of Calvin

Notes to Financial Statements

December 31, 2024

14. Contingent Liabilities

The Municipality is subject to various litigation and claims arising in the normal course of its operations. Management assesses such claims and where considered likely to have material exposure and, where the amount of the claim is quantifiable, provisions for loss are made on management's assessment of the likely outcome. The Municipality does not provide for claims that are considered unlikely to result in a significant loss, claims for which the outcome is not determinable or claims where the amount of loss cannot be reasonably estimated. Any amendments to amounts accrued will be recorded once new information becomes available.

15. Subsequent Events

On June 21, 2025, a severe weather event caused significant flooding, fallen trees, and road washouts in the Municipality of Calvin, prompting the declaration of a state of emergency. Emergency response measures, including evacuation support and infrastructure repair, resulted in estimated costs of approximately \$500,000.

The Municipality will submit an application to the Municipal Disaster Recovery Assistance Program under the Ministry of Municipal Affairs and Housing to recover eligible costs.

16. Segment Disclosures

The Municipality provides a wide range of services to its citizens. The schedule of segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Statement of Operations by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which included the following activities:

General Government

This segment includes Council, Clerk's Department, and Treasury. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues relating to governance, strategic planning and service delivery.

Protection to Persons and Property

This segment includes fire, police, building inspection, conservation authority, emergency measures and bylaw enforcement. Police services are provided by the Ontario Provincial Police under contract.

Transportation Services

Transportation services include roadway systems and winter control.

The Corporation of the Municipality of Calvin

Notes to Financial Statements

December 31, 2024

16. Segment Disclosures (continued)

Environmental Services

This segment includes solid waste management.

Health Services

This segment includes cemeteries as well as payments to the Nipissing Parry Sound District Health Unit.

Social and Family Services

This segment consists primarily of payments made to the District of Nipissing Social Services Administration Board and Home for the Aged for the provision of social services such as childcare, social housing, general assistance and assistance to the elderly.

Recreation and Culture

This segment includes parks, recreation programs, recreation facilities and library services.

Planning and Development

This segment includes activities related to planning, zoning and economic development.

Unallocated Amounts

Items are recorded as unallocated amounts when there is no reasonable basis for allocating them to a segment. Major items included in this category are property taxation and related penalty and interest charges, and unconditional grants such as the Municipality's annual Ontario Municipal Partnership Fund grant.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter segment transfers are measured on the basis of the percentage of budgeted expenses.

The Corporation of the Municipality of Calvin

Notes to Financial Statements

December 31, 2024

16. Segment Disclosures (continued)

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation and Culture Services	Planning & Development	Unallocated Amounts	2024 Total
Revenues										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,732,647	\$ 1,732,647
User Charges and Other	96,491	3,145	5,558	45,852	5,924	-	870	-	79,341	237,181
Government Transfer	339,365	-	371,403	-	-	-	1,177	-	-	711,945
	435,856	3,145	376,961	45,852	5,924	-	2,047	-	1,811,988	2,681,773
Expenses										
Salaries wages and benefits	382,937	68,170	222,290	25,561	-	-	54,085	-	-	753,043
Long-term debt charges (interest)	-	602	-	-	-	-	-	-	-	602
Materials	39,374	62,253	388,222	9,750	-	-	18,442	-	-	518,041
Contracted services	411,226	142,924	-	45,398	-	-	-	46,532	-	646,080
External transfers	-	-	-	-	18,582	321,065	-	-	-	339,647
Other (Note 7)	-	-	-	-	-	534,224	-	-	-	534,224
Amortization	3,315	30,448	172,343	2,330	-	-	9,806	-	-	218,242
	836,852	304,397	782,855	83,039	18,582	855,289	82,333	46,532	-	3,009,879
Annual (deficit) surplus	\$ (400,996)	\$ (301,252)	\$ (405,894)	\$ (37,187)	\$ (12,658)	\$ (855,289)	\$ (80,286)	\$ (46,532)	\$ 1,811,988	\$ (328,106)

The Corporation of the Municipality of Calvin Notes to Financial Statements

December 31, 2024

16. Segment Disclosures (continued)

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation & Culture	Planning & Development	Unallocated Amounts	2023 Total
Revenues										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,553,450	\$ 1,553,450
User charges and other	33,648	4,511	4,704	35,611	9,044	-	2,062	-	64,024	153,604
Government Transfers	191,697	-	60,351	1,163	-	-	1,177	-	-	254,388
	225,345	4,511	65,055	36,774	9,044	-	3,239	-	1,617,474	1,961,442
Expenses										
Salaries and benefits	261,031	58,995	172,108	23,087	-	-	18,274	-	-	533,495
Long-term debt charges (Interest)	-	1,080	307	-	-	-	-	-	-	1,387
Materials	51,771	37,363	309,051	246,794	531	-	38,935	-	-	684,445
Contracted services	215,127	124,358	32,904	29,109	-	-	360	31,199	-	433,057
External transfers	-	-	-	-	18,041	310,587	-	-	-	328,628
Other (Note 8)	-	-	-	-	-	45,128	-	-	-	45,128
Amortization	4,426	29,727	153,892	2,330	-	-	10,714	-	-	201,089
Total Expenses	532,355	251,523	668,262	301,320	18,572	355,715	68,283	31,199	-	2,227,229
Annual (deficit) surplus	\$ (307,010)	\$ (247,012)	\$ (603,207)	\$ (264,546)	\$ (9,528)	\$ (355,715)	\$ (65,044)	\$ (31,199)	\$ 1,617,474	\$ (265,787)