

Audited Consolidated Financial Statements and  
Other Financial Information of

**CORPORATION OF THE  
TOWN OF ARNPRIOR**

Year ended December 31, 2024

# **CORPORATION OF THE TOWN OF ARNPRIOR**

Consolidated Financial Statements

Year ended December 31, 2024

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## **CORPORATION OF THE TOWN OF ARNPRIOR:**

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

The accompanying consolidated financial statements of the Corporation of the Town of Arnprior (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 are described in note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's 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.

Council meets with management and 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 Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

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Robin Paquette  
Chief Administrative Officer

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Jennifer Morawiec  
General Manager, Client Services/Treasurer

**KPMG LLP**

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**INDEPENDENT AUDITOR'S REPORT**

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Arnprior

***Opinion***

We have audited the consolidated financial statements of the Corporation of the Town of Arnprior (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2024;
- the consolidated statement of operations and accumulated 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 financial position of the Entity as at December 31, 2024, 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.

***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.

- 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



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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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads "KPMG LLP". The "KPMG" is in a bold, sans-serif font, and "LLP" is in a smaller, regular font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

October 17, 2025

# CORPORATION OF THE TOWN OF ARNPRIOR

## Consolidated Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
<b>Financial assets:</b>		
Cash	\$ 24,128,086	\$ 23,698,920
Taxes receivable	1,507,095	980,736
User charges receivable	932,634	885,976
Accounts receivable	1,805,363	1,988,208
Investments (note 3)	2,983,912	3,000,678
	<u>31,357,090</u>	<u>30,554,518</u>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	1,710,124	2,008,603
Asset retirement obligations (note 5)	1,464,514	1,420,779
Prepaid property taxes	187,665	230,328
Deferred revenue - obligatory reserve funds (note 4)	6,078,518	8,041,978
Deferred revenues	363,854	186,492
Security deposits	256,186	627,883
Long-term liabilities (note 6)	8,099,985	9,490,093
	<u>18,160,846</u>	<u>22,006,156</u>
<b>Net financial assets</b>	<b>13,196,244</b>	<b>8,548,362</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 13)	147,460,433	105,676,738
Inventories	114,592	154,477
	<u>147,575,025</u>	<u>105,831,215</u>
Contractual obligations (note 10)		
Commitments (note 11)		
Contingent liabilities (note 12)		
<b>Accumulated municipal equity (note 7)</b>	<b>\$ 160,771,269</b>	<b>\$ 114,379,577</b>

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

# CORPORATION OF THE TOWN OF ARNPRIOR

## Consolidated Statement of Operations and Accumulated Municipal Equity

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

	Budget 2024	2024	2023
(note 15)			
<b>Revenue:</b>			
Property taxation	\$ 13,549,682	\$ 13,370,767	\$ 12,602,391
User charges	8,116,590	8,235,444	7,617,371
Government transfers	2,662,510	2,936,614	3,476,883
Transfers from deferred revenue - obligatory reserve funds:			
Development charges	3,011,987	3,234,212	1,546,212
Recreational land	—	70,835	276,827
Investment income	351,500	1,292,063	1,042,479
Licenses and permits	367,800	379,071	342,878
Penalties and interest	157,500	199,692	172,982
Donation revenue	29,000	38,360	254,625
Provincial offenses	—	35,046	33,898
Contributed capital assets	—	38,091,747	—
Loss on disposal of tangible capital assets	—	(22,952)	(139,934)
<b>Total revenue</b>	<b>28,246,569</b>	<b>67,860,899</b>	<b>27,226,612</b>
<b>Expenses (note 14):</b>			
General government	2,325,523	2,481,171	2,488,141
Protection to persons and property	3,231,983	3,471,092	3,254,254
Transportation services	3,572,481	(40,489)	2,406,099
Environmental services	6,779,474	8,127,671	7,098,215
Social and health services	190,500	298,006	223,130
Recreation and cultural services	5,114,239	6,724,791	5,197,920
Planning and development	378,430	406,965	378,410
<b>Total expenses</b>	<b>21,592,630</b>	<b>21,469,207</b>	<b>21,046,169</b>
<b>Annual surplus</b>	<b>6,653,939</b>	<b>46,391,692</b>	<b>6,180,443</b>
Accumulated municipal equity, beginning of year	114,379,577	114,379,577	108,199,134
<b>Accumulated municipal equity, end of year</b>	<b>\$ 121,033,516</b>	<b>\$ 160,771,269</b>	<b>\$ 114,379,577</b>

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

# CORPORATION OF THE TOWN OF ARNPRIOR

## Consolidated Statement of Changes in Net Financial Assets

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

	Budget 2024 (note 15)	2024	2023
Annual surplus	\$ 6,653,939	\$ 46,391,692	\$ 6,180,443
Amortization of tangible capital assets	4,096,174	4,096,174	3,865,087
Acquisition of and contributed tangible capital assets	(7,642,200)	(45,902,821)	(6,818,732)
Loss on disposal of tangible capital assets	—	22,952	139,934
Decrease (increase) in inventories	—	39,885	(18,519)
Change in net financial assets	3,107,913	4,647,882	3,348,213
Net financial assets, beginning of year	8,548,362	8,548,362	5,200,149
<b>Net financial assets, end of year</b>	<b>\$ 11,656,275</b>	<b>\$ 13,196,244</b>	<b>\$ 8,548,362</b>

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

# CORPORATION OF THE TOWN OF ARNPRIOR

## Consolidated Statement of Cash Flows

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

	2024	2023
<b>Operating activities:</b>		
Annual surplus	\$ 46,391,692	\$ 6,180,443
<b>Item not involving cash:</b>		
Amortization of tangible capital assets	4,096,174	3,865,087
Loss on disposal of tangible capital assets	22,952	139,934
Accretion expense	43,736	42,257
Contributed tangible capital assets	(38,091,747)	–
<b>Change in non-cash operating working capital:</b>		
Taxes receivable	(526,359)	(35,965)
User charges receivable	(46,658)	(135,582)
Accounts receivable	182,845	(535,386)
Accounts payable and accrued liabilities	(298,480)	(1,232,769)
Prepaid property taxes	(42,663)	41,487
Deferred revenue - obligatory reserve funds	(1,963,460)	1,146,349
Deferred revenues	177,362	143,965
Security deposits	(371,697)	(51,840)
Inventories	39,885	(18,519)
	<u>9,613,582</u>	<u>9,549,461</u>
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(7,811,074)	(6,818,732)
<b>Investing activities:</b>		
Sale (purchase) of investments	16,766	(1,680,303)
<b>Financing activities:</b>		
Repayment of long-term liabilities	(1,390,108)	(1,337,069)
<b>Increase (decrease) in cash</b>	<b>429,166</b>	<b>(286,643)</b>
<b>Cash, beginning of year</b>	<b>23,698,920</b>	<b>23,985,563</b>
<b>Cash, end of year</b>	<b>\$ 24,128,086</b>	<b>\$ 23,698,920</b>

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

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements

Year ended December 31, 2024

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The Corporation of the Town of Arnprior (the “Town”) was incorporated in 1892 (previously incorporated as a village in 1862) and assumed its responsibilities under the authority of the Provincial Secretary. The Town operates as a lower tier government in the County of Renfrew, 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.

## 1. Significant accounting policies:

The consolidated financial statements of the Town are the representations of management and have been prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Town are as follows:

### (a) Reporting entity:

The consolidated financial statements reflect 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:

- Arnprior Cemetery Board
- Arnprior Business Improvement Area Committee
- Arnprior Public Library Board

The taxation, other revenue, 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.

Trust funds and their related operations administered by the Town are not included in these consolidated financial statements.

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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## 1. 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 Town Council, incorporating amounts to be raised for local services, amounts to be raised on behalf of the County of Renfrew 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 revenues 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	Useful Life - Years
Land improvements	10 to 25
Buildings	20 to 75
Machinery and equipment	5 to 20
Vehicles	10 to 20
Linear assets	30 to 80

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 \$20,000 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 Accumulated 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.

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (d) Tangible capital assets (continued):

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 Accumulated Municipal Equity.

### (e) Leases:

Leases are classified as capital or operating 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.

### (f) Inventories:

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

### (g) Employee future benefits:

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 in these consolidated financial statements.

### (h) Government transfers:

Government transfers are recognized in the consolidated financial statements as revenues 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) Revenue recognition:

Government transfers and funding for projects are recognized as revenue when the transfer is authorized, any eligible criteria has been met and the amount can be reasonably estimated. Town generated funds, generally consisting of user fees, licenses and permits, are recognized when the goods are sold or the services are provided, performance obligations fulfilled, and future economic benefits are measurable and expected to be obtained. Other restricted contributions received in advance of the related expenditure are deferred until the related expenditure is incurred.

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (j) 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 Canada Community Building Fund (formerly Federal Gas Tax), development charges collected under the Development Charges Act, 1997, recreational land collected under the Planning Act and building surpluses earned under the Building Code Act are restricted in their use, and until applied to applicable costs, are reported as deferred revenue - obligatory reserve funds 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.

### (k) Investment income:

Investment income is recognized as revenue in the period earned. Investment income earned on deferred revenue - obligatory reserve funds is added to the fund balance and forms part of respective deferred revenue balances.

### (l) Asset retirement obligations:

An asset retirement obligation (ARO) is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

Actual remediation costs incurred are charged against the ARO to the extent of the liability recorded.

Differences between the actual remediation costs incurred and the associated liabilities are recognized in the Consolidated Statement of Operations and Accumulated Municipal Equity.

### (m) 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.

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (m) Liability for contaminated sites (continued):

A liability for remediation of contaminated sites is recognized when a site is not in productive use and all of 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.

### (n) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and reported on the Consolidated Statement of Financial Position.

Unrealized changes in fair value are recognized in the Statement of Remeasurement Gains and Losses until they are realized, when they are transferred to the Consolidated Statement of Operations and Accumulated Municipal Equity.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

All financial assets are assessed for impairment on an annual basis. Where a decline is determined to be other than temporary, the amount of the loss is reported in the Consolidated Statement of Operations and Accumulated Municipal Equity and any unrealized gain is adjusted through the Consolidated Statement of Remeasurement Gains and Losses. On sale, the unrealized gain or loss included in the Consolidated Statement of Remeasurement Gains and Losses associated with that instrument are reversed and recognized in the Consolidated Statement of Operations and Accumulated Municipal Equity.

A Consolidated Statement of Remeasurement Gains and Losses has not been provided as there are no significant unrealized gains or losses at December 31, 2024 or 2023.

Long-term debt is recorded at amortized cost

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (n) Financial instruments (continued):

#### Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability.

#### Fair value hierarchy:

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - fair value measurements are those derived from 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); and
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

### (o) 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 asset retirement obligations and the carrying value of tangible capital assets. Actual results could differ from these estimates.

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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## 2. Operations of the school boards and County of Renfrew:

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

For the year ended December 31, 2024:

	School boards	County
Property taxes	\$ 2,590,065	\$ 5,464,253
Taxation from other governments	941	27,146
	\$ 2,591,006	\$ 5,491,399

For the year ended December 31, 2023:

	School boards	County
Property taxes	\$ 2,511,561	\$ 5,025,758
Payments-in-lieu of taxes	941	25,836
	\$ 2,512,502	\$ 5,051,594

## 3. Investments:

Investments, which consist of guaranteed investment certificates, are considered Level 1 investments and are recorded on the Consolidated Statement of Financial Position at cost plus accrued interest. Interest rates range between 1.73% to 5.50% (2023 - 1.00% to 5.00%) with maturity dates between June 2025 and October 2029 (2023 - June 2024 and October 2028). They have a market value of \$3,039,556 at December 31, 2024 (2023 - \$3,036,862).

There were no transfers in or out of Level 1, Level 2 or Level 3 for the years ended December 31, 2024 and 2023.

## 4. Deferred revenue - obligatory reserve funds:

A requirement of public sector accounting principles of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenues. 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.

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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## 4. Deferred revenue - obligatory reserve funds (continued):

The transactions for the year are summarized below:

	Government grants	Development charges	Recreational land	Building department	Total
Balance, beginning of year	\$ 11,612	\$ 6,710,409	\$ 364,104	\$ 955,853	\$ 8,041,978
Government grants	307,082	—	—	—	307,082
Contributions	—	1,162,408	14,782	—	1,177,190
Interest	615	212,362	—	44,752	257,729
Transfer to operations	(302,737)	(3,234,212)	(70,835)	(97,677)	(3,705,461)
Balance, end of year	\$ 16,572	\$ 4,850,967	\$ 308,051	\$ 902,928	\$ 6,078,518

The balance of government grants included above is comprised of the Canada Community Building Fund and Ontario Community Infrastructure Fund.

## 5. Asset retirement obligations:

The Town's asset retirement obligations (AROs) consist of several obligations as follows:

### (a) Landfill obligation:

The Town owns and operates one landfill. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the site and for 25 years thereafter. As at December 31, 2024, the landfill had an estimated remaining useful life of 15 years. The Town recognized an obligation relating to the removal and post-removal care of the landfill. These costs were discounted using a discount rate of 3.50% per annum and an inflation rate of 3.27% per annum.

### (b) Asbestos and other obligations:

The Town owns several buildings that are known to have asbestos, which represents a health hazard upon demolition/decommission and there is a legal obligation to remove it. The Town recognized an obligation relating to the removal and post-removal care of the asbestos. These costs were not discounted due to uncertainty surrounding the expected timing of cash outflows.

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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## 5. Asset retirement obligations (continued):

	Landfill closure	Asbestos	Total
Balance, January 1, 2024	\$ 1,249,594	\$ 171,185	\$ 1,420,779
Increase in asset retirement obligation	43,735	—	43,735
Balance, December 31, 2024	\$ 1,293,329	\$ 171,185	\$ 1,464,514

No remediation work occurred during the years ended December 31, 2024 or December 31, 2023.

## 6. Long-term liabilities:

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

	2024	2023
Total long-term liabilities incurred by the municipality bear interest at rates that range between 2.33% and 4.94%, with due dates between October 2026 and July 2031. Amounts outstanding at the end of the year total:	\$ 8,099,985	\$ 9,490,093

(b) Principal due on net long-term liabilities from general municipal revenues and user fees is summarized as follows:

2025	\$ 1,324,843
2026	1,218,273
2027	1,111,166
2028	1,156,629
2029	1,051,426
Thereafter	2,237,648
	\$ 8,099,985

(c) Interest expense on long term liabilities in 2024 amounted to \$362,481 (2023 - \$418,311).

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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## 7. Municipal equity:

	2024	2023
Investment in tangible capital assets:		
Tangible capital assets	\$ 147,575,025	\$ 105,676,738
Long-term debt	(8,099,985)	(9,490,093)
	139,475,040	96,186,645
Unrestricted surplus	6,459,894	3,191,946
Unfunded asset retirement obligations (note 5)	(1,464,514)	(1,420,779)
Reserves (Schedule 1)	3,501,653	3,624,957
Reserve funds (Schedule 1)	12,799,196	12,796,808
<b>Total accumulated municipal equity</b>	<b>\$ 160,771,269</b>	<b>\$ 114,379,577</b>

## 8. Trust funds:

Trust funds administered by the Town amounting to \$885,446 (2023 - \$855,189) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the Town for the benefit of others, they are not presented as part of the Town's financial position or financial activities.

## 9. 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, 2024. At that time, the plan reported a \$2.9 billion actuarial deficit (2023 - \$4.2 billion actuarial deficit).

The amount contributed to OMERS was \$508,693 (2023 - \$479,211) for current services and is included as an expense on the Consolidated Statement of Operations and Accumulated Municipal Equity classified under the appropriate functional expenditure.

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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## 10. Contractual obligations:

- (a) The Town is provided police services by the Ontario Provincial Police under Section 5.1 of the Police Services Act. There is no contract, however, the annual charges are determined based on base costs and calls for service, overtime, prisoner transport, cleaning and accommodation. The amount paid in 2024 for police services was \$1,753,251 (2023 - \$1,665,181).
- (b) The Town has negotiated a multi-year contract with McCrea Excavating Ltd. for the operation and supervision of the Solid Waste Disposal Site. The contract commenced September 1, 2023 and will expire on August 31, 2028 with the option for an additional two one-year extensions. The annual commitment under this contract is \$494,100 per annum with inflationary adjustments. The amount paid in 2024 for services was \$499,555 (2023 - \$170,307).
- (c) The Town has entered into a multi-year contract with Topps Environmental Solutions (803836 Ontario Inc.) for the collection of solid waste. The contract commenced in March 2024 and is for a five year period with the option of two one year extensions. The Town's annual commitment is \$430,429.

## 11. Commitments:

The Town is a member of the Municipalities Benefit Committee (MBC) which is an employee group benefits plan arranged through Manulife to share in the financial risk of extended health and dental benefits. In the event that a deficit position is incurred, the Town must repay their pro-rata share of the deficit through a lump sum deposit or an increase in future annual premiums collected through the monthly billed rates. No such assessments have been made to December 31, 2024. In the case of a surplus position, upon full funding of the claims fluctuation reserve (DFR), the surplus is transferred to a deposit account held by Manulife on the MBC's behalf. The surplus funds in the deposit account are to be used to fund premium requirements, enhancements to the benefit plan or fund future deficits. If the Town leaves the MBC, the Town forfeits its right to any surplus. There are no distributions to or receivables from the MBC plan at December 31, 2024 (2023 - \$Nil).

## 12. 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, 2024, management believes that the Town has valid defences and appropriate reserves and 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.

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

## 13. Tangible capital assets:

		Balance at December 31, 2023	Additions	Disposals and Transfers	Balance at December 31, 2024
Land	\$ 2,139,300	-	\$	\$	2,139,300
Land improvements	2,806,052	321,826			3,127,878
Buildings	73,059,607	1,010,819	(4,269)		74,066,157
Machinery and equipment	4,111,019	433,122	(140,826)		4,403,315
Vehicles	4,168,859	110,155	(288,492)		3,990,522
Linear assets	78,525,560	39,373,787	(153,382)		117,745,965
Construction in progress	898,509	4,653,112	-		5,551,621
	\$ 165,708,906	45,902,821	\$ (586,969)	\$	211,024,758
		Balance at December 31, 2023	Amortization	Disposals	Balance at December 31, 2024
Land improvements	\$ 885,510	149,249	\$	\$	1,034,759
Buildings	32,130,441	1,997,438	(4,269)		34,123,610
Machinery and equipment	2,495,197	294,759	(140,826)		2,649,130
Vehicles	1,673,693	221,148	(288,492)		1,606,349
Linear assets	22,847,327	1,433,580	(130,430)		24,150,477
	\$ 60,032,168	4,096,174	\$ (564,017)	\$	63,564,325
		Net Book Value 2023		Net Book Value 2024	
Land	\$ 2,139,300	\$	2,139,300		
Land improvements	1,920,542		2,093,119		
Buildings	40,929,166		39,942,547		
Machinery and equipment	1,615,822		1,754,185		
Vehicles	2,495,166		2,384,173		
Linear assets	55,678,233		93,595,488		
Construction in progress	898,509		5,551,621		
	\$ 105,676,738	\$	147,460,433		

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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## **14. 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 Accumulated 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 these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1.

- (i) General government is comprised of Council and administration and is responsible for the overall governance and management of the Municipality.
- (ii) Protection to persons and property is comprised of police, fire and other protective services.
- (iii) Transportation is comprised of roads including parking, signs and signals, streetlights and the maintenance of roads of the Municipality.
- (iv) Environmental services includes water supply and distribution, wastewater treatment and waste and recycling services.
- (v) Health services includes the management and maintenance of cemeteries and long-term care funding.
- (vi) Recreational and cultural services includes parks and recreation, culture and libraries.
- (vii) Planning and development services are comprised of managing development for residential and business interest, as well as infrastructure and parks.

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

## 14. Segmented information (continued):

For the year ended December 31, 2024	Environmental Services	General Government	Health and Social Services	Planning and Development	Protection to Persons and Property	Recreation and Cultural Services	Transportation Services	Total
<b>Revenue:</b>								
Property taxation	\$ 923,728	\$ 12,447,039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,370,767
User charges	6,147,133	50,621	112,820	69,985	30,495	1,708,209	116,181	8,235,444
Government transfers	165,261	1,366,456	-	5,000	-	276,938	1,122,959	2,936,614
Transfers from deferred revenue - obligatory reserve funds:								
Development charges	1,032,190	-	-	-	93,156	797,309	1,311,557	3,234,212
Recreational land	-	-	-	-	-	70,835	-	70,835
Investment income	-	1,208,203	42,267	-	-	41,593	-	1,292,063
Licenses and permits	-	36,180	-	-	342,891	-	-	379,071
Penalties and interest	36,235	163,457	-	-	-	-	-	199,692
Donation revenue	-	-	-	-	-	38,360	-	38,360
Provincial offences	-	-	-	-	35,046	-	-	35,046
Contributed assets	-	-	-	-	-	-	38,091,747	38,091,747
Gain (loss) on disposal of tangible capital assets	-	-	-	-	-	-	(22,952)	(22,952)
	8,304,547	15,271,956	155,087	74,985	501,588	2,933,244	40,619,492	67,860,899
<b>Expenses:</b>								
Salaries, wages and employee benefits	1,302,387	1,461,720	92,489	216,586	906,305	2,864,173	905,213	7,748,873
Interest on long-term liabilities	340,212	-	-	-	21,419	-	850	362,481
Materials and services	4,076,840	933,728	87,358	190,379	2,363,789	3,288,609	(1,892,078)	9,048,625
Amortization	2,165,948	89,673	-	-	169,579	532,685	1,138,289	4,096,174
External transfers	-	6,050	82,500	-	-	26,225	55,000	169,775
Accretion expense	43,736	-	-	-	-	-	-	43,736
Inter-functional adjustments	198,548	(10,000)	35,659	-	10,000	13,099	(247,763)	(457)
	8,127,671	2,481,171	298,006	406,965	3,471,092	6,724,791	(40,489)	21,469,207
Annual surplus (deficit)	\$ 176,876	\$ 12,790,785	\$ (142,919)	\$ (331,980)	\$ (2,969,504)	\$ (3,791,547)	\$ 40,659,981	\$ 46,391,692

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

## 14. Segmented information (continued):

For the year ended December 31, 2023	Environmental Services	General Government	Health and Social Services	Planning and Development	Protection to Persons and Property	Recreation and Cultural Services	Transportation Services	Total
<b>Revenue:</b>								
Property taxation	\$ 750,026	\$ 11,852,365	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,602,391
User charges	5,642,888	53,927	112,226	72,446	47,005	1,597,307	91,572	7,617,371
Government transfers	192,133	1,499,028	-	10,176	12,911	527,050	1,235,585	3,476,883
Transfers from deferred revenue - obligatory reserve funds:								
Development charges	770,169	-	-	-	75,656	324,142	376,245	1,546,212
Recreational land	-	-	-	-	-	276,827	-	276,827
Investment income	-	993,792	30,704	-	-	17,983	-	1,042,479
Licenses and permits	-	28,702	-	-	314,176	-	-	342,878
Penalties and interest	33,229	139,753	-	-	-	-	-	172,982
Donation revenue	-	-	-	-	-	254,625	-	254,625
Provincial offences	-	-	-	-	33,898	-	-	33,898
Other	-	-	-	-	-	-	-	-
Gain (loss) on disposal of tangible capital assets	-	-	-	-	-	-	(139,934)	(139,934)
	7,388,445	14,567,567	142,930	82,622	483,646	2,997,934	1,563,468	27,226,612
<b>Expenses:</b>								
Salaries, wages and employee benefits	1,189,783	1,415,821	79,595	211,317	894,089	2,677,508	939,996	7,408,109
Interest on long-term liabilities	390,774	-	-	-	25,528	-	2,009	418,311
Materials and services	3,151,425	964,101	22,180	167,093	2,153,129	2,074,705	598,806	9,131,439
Amortization	2,161,688	108,253	-	-	171,508	406,935	1,016,703	3,865,087
External transfers	-	10,966	82,500	-	-	32,500	55,000	180,966
Accretion expense	42,257	-	-	-	-	-	-	42,257
Inter-functional adjustments	162,288	(11,000)	38,855	-	10,000	6,272	(206,415)	-
	7,098,215	2,488,141	223,130	378,410	3,254,254	5,197,920	2,406,099	21,046,169
Annual surplus (deficit)	\$ 290,230	\$ 12,079,426	\$ (80,200)	\$ (295,788)	\$ (2,770,608)	\$ (2,199,986)	\$ (842,631)	\$ 6,180,443

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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## 15. Budget figures:

The 2024 budget amounts that were approved were not prepared on a basis consistent with that used to report actual results under Canadian public sector accounting standards. The budget includes capital expenses, repayment of long-term debt and transfers to and from reserves which are removed in the year end Consolidated Statement of Operations and Accumulated Municipal Equity. The revenues attributable to these items continue to be included in the Consolidated Statement of Operations and Accumulated 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 consolidated financial statements:

	Budget 2024
Total revenue	\$ 28,246,569
Total expenses	(21,592,630)
Annual surplus	6,653,939
Amortization of tangible capital assets	4,096,174
Funds available	10,750,113
Capital expenses	(7,642,200)
Principal repayments	(1,390,108)
Decrease in operating surplus	<u>\$ 1,717,805</u>
Allocated as follows:	
Net transfers to reserves	\$ (420,481)
Current year surplus	2,138,286
	<u>\$ 1,717,805</u>

## 16. Comparative information:

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

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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## 17. Financial risks and concentration of risks:

### (a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. Town is exposed to credit risk with respect to accounts receivable, taxes receivable and user charges receivables (collectively its “receivables”) on the Consolidated Statement of Financial Position.

The Town assesses, on a continuous basis, its receivables and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Town at December 31, 2024 is the carrying value of these assets. The carrying amount of receivables is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the Consolidated Statement of Operations and Accumulated Municipal Equity. Subsequent recoveries of impairment losses related to receivables are credited to the Consolidated Statement of Operations and Municipal Equity.

	Current	Past due	Gross receivables	Allowances	Net receivables
Accounts receivable	\$ 1,541,518	\$ 264,898	\$ 1,806,416	\$ 1,053	\$ 1,805,363
Taxes receivable	1,208,276	339,063	1,547,339	40,244	1,507,095
User charges receivable	715,978	271,220	987,198	54,564	932,634
	\$ 3,465,772	\$ 875,181	\$ 4,340,953	\$ 95,861	\$ 4,245,092

Amounts past due but not allowed for are deemed by management to be collectible based on historical experience regarding collections.

### (b) Liquidity risk:

Liquidity risk is the risk that the Town will not be able to meet all of its cash outflow obligations as they come due. The Town mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting. Accounts payable and accrued liabilities are all current and the terms of long-term liabilities are disclosed in note 6.

### (c) Market risk:

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and other price risks, will affect the Town's net results of operations or the fair value of its holdings of financial instruments. Market risk includes three types of risk: currency risk, interest rate risk and other price risk.

#### (i) Currency risk:

Currency risk arises from the Town's operations in different currencies and converting non-Canadian earnings at different points in time at different foreign currency levels when adverse changes in foreign currency rates occur. The Town does not have any material transactions or financial instruments denominated in foreign currencies.

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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## 17. Financial risks and concentration of risks (continued):

### (c) Market risk (continued):

#### (ii) 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. Financial assets and financial liabilities with variable interest rates expose the Town to cash flow interest rate risk. As the Town does not have any financial assets or financial liabilities with variable interest rates, it is not exposed to these risks.

#### (iii) Other price risk:

Other price risk arises when the fair value of equity funds changes due to a decrease in a stock market index or other risk variables. The Town is not exposed to this risk as it does not hold any equity investments.

There have been no significant changes to these risk exposures from 2023.

## 18. Change in accounting policies:

The Town adopted the following standards concurrently beginning January 1, 2024:

- PS 3400 *Revenue* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e the payor expects good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions.

For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

- PSG-8 *Purchased Intangibles* provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.
- PS 3160 *Public Private Partnerships* (P3s) provides specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

There was no impact on the financial statements as a result of adopting the new accounting standards.

# CORPORATION OF THE TOWN OF ARNPRIOR

## Schedule 1: Continuity of Reserves and Reserve Funds

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

	Budget (note 15)	2024	2023
Net transfers from (to) other funds	\$ (420,481)	\$ (749,076)	\$ 2,611,537
Investment income	—	628,160	589,285
Reserves and reserve fund balances, change in year	(420,481)	(120,916)	3,200,822
Reserves and reserve fund balances, beginning of year	16,421,765	16,421,765	13,220,943
Reserves and reserve fund balances, end of year	\$ 16,001,284	\$ 16,300,849	\$ 16,421,765

Reserves and reserve funds are comprised of the following:

	2024	2023
<b>Reserves set aside for specific purposes by Council:</b>		
Reserves set aside for specific purposes by Council:		
Working capital	\$ 901,147	\$ 901,147
Contingency	635,118	635,118
Marketing	126,390	92,806
Policing	125,000	125,000
Winter control	1,005,481	1,059,642
Elections	27,691	19,191
Protection of property	—	1,756
Grants	—	1,472
Waste	265,028	372,979
For capital purposes:		
Business improvement area	6,306	6,354
Library	409,492	409,492
	3,501,653	3,624,957
Reserve funds:		
Landfill	2,290,983	2,128,719
Parking lot	(106,550)	(117,931)
Museum	106,332	102,622
Water	1,643,237	2,131,088
Wastewater	329,018	743,351
Capital	8,407,887	7,658,191
JA Gaumond	50,019	48,273
Cemetery	78,270	102,495
	12,799,196	12,796,808
<b>Total reserves and reserve funds</b>	<b>\$ 16,300,849</b>	<b>\$ 16,421,765</b>

**KPMG LLP**

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Canada  
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Fax 613 549 6349

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Arnprior

***Opinion***

We have audited the financial statements of the Trust Funds of the Corporation of the Town of Arnprior (the "Entity"), which comprise:

- the statement of financial position as at end of December 31, 2024
- the statement of financial activities for the year then ended
- and notes to the 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 financial position of the Entity as at December 31, 2024, and its results of financial activities 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.



### ***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.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

October 17, 2025

# CORPORATION OF THE TOWN OF ARNPRIOR

## TRUST FUNDS

### Statement of Financial Position

December 31, 2024, with comparative information for 2023

	Cemetery care and maintenance	Neilson Trust	Total 2024	Total 2023
<b>Assets:</b>				
Cash	\$ —	\$ 32	\$ 32	\$ 32
Investments	\$ 803,158	\$ 52,000	\$ 855,158	\$ 824,425
Accrued interest receivable	152,534	—	152,534	141,000
Due from Town of Arnrior	30,256	—	30,256	30,732
	<b>\$ 985,948</b>	<b>\$ 52,032</b>	<b>\$ 1,037,980</b>	<b>\$ 996,189</b>

### Liabilities and Fund Balance:

Due to Arnrior Municipal				
Cemetery	\$ 152,534	\$ —	\$ 152,534	\$ 141,000
Fund balance	833,414	52,032	885,446	855,189
	<b>\$ 985,948</b>	<b>\$ 52,032</b>	<b>\$ 1,037,980</b>	<b>\$ 996,189</b>

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

On behalf of the Board:

\_\_\_\_\_  
Director

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Director

# CORPORATION OF THE TOWN OF ARNPRIOR

## TRUST FUNDS

### Statement of Financial Activities

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

	Cemetery care and maintenance	Neilson Trust	Total 2024	Total 2023
<b>Revenue:</b>				
Investment income	\$ 42,267	\$ —	\$ 42,267	\$ 30,704
Care and maintenance	30,257	—	30,257	30,732
	72,524	—	72,524	61,436
<b>Expenses:</b>				
Cemetery maintenance	42,267	—	42,267	30,704
Excess of revenue over expenses	30,257	—	30,257	30,732
Fund balance, beginning of year	803,157	52,032	855,189	824,457
<b>Fund balance, end of year</b>	<b>\$ 833,414</b>	<b>\$ 52,032</b>	<b>\$ 885,446</b>	<b>\$ 855,189</b>

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

# CORPORATION OF THE TOWN OF ARNPRIOR

## TRUST FUNDS

### Notes to Financial Statements

Year ended December 31, 2024

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#### 1. Significant accounting policies:

The financial statements of the Corporation of the Town of Arnprior Trust Funds (the "Trusts") are prepared by management in accordance with Canadian public sector accounting standards.

##### (a) Basis of presentation:

These financial statements reflect the assets, liabilities, revenue and expenses of the Trusts.

##### (b) Basis of accounting:

Perpetual care receipts, for the war memorial, are reported on the cash basis of accounting and interest income is reported on the accrual basis of accounting.

Expenses are reported on the cash basis of accounting with the exception of administrative expenses which are reported on the accrual basis of accounting, which recognizes expenses as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

##### (c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition, and reported on the Statement of Financial Position.

Unrealized changes in fair value are recognized in the Statement of Remeasurement Gains and Losses until they are realized, when they are transferred to the Statement of Operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

All financial assets are assessed for impairment on an annual basis. Where a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations and any unrealized gain is adjusted through the Statement of Remeasurement Gains and Losses. On sale, the statement of remeasurement gains and losses associated with that instrument are reversed and recognized in the Statement of Operations.

A Statement of Remeasurement Gains and Losses has not been provided as there are no significant unrealized gains or losses at December 31, 2024 or 2023.

##### Establishing fair value

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability.

# CORPORATION OF THE TOWN OF ARNPRIOR

## TRUST FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2024

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### 1. Significant accounting policies (continued):

#### (c) Financial instruments (continued):

##### Fair value hierarchy

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - fair value measurements are those derived from 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); and
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

#### (d) Use of estimates:

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

### 2. Statement of cash flows:

A statement of cash flows has not been included in these financial statements as it would not provide additional meaningful information.

### 3. Investments:

The Trusts have investments in guaranteed investment certificates, Level 1 investments, with maturity dates ranging from June 2025 to November 2029, earning annual rates of return ranging from 1.73% to 5.00% per annum.

# **CORPORATION OF THE TOWN OF ARNPRIOR**

## **TRUST FUNDS**

### Notes to Financial Statements (continued)

Year ended December 31, 2024

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#### **4. Financial instruments and risk management:**

##### Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates, impact the Trusts' income or the value of its holdings of financial instruments. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

There have been no significant changes to the market risk exposure from 2023.

(i) Currency risk:

Currency risk arises from the Trusts' operations in different currencies and converting non-Canadian earnings at different points in time at different foreign currency levels when adverse changes in foreign currency rates occur. The Trusts do not have any material transactions or financial instruments denominated in foreign currencies.

(ii) 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. Financial assets and financial liabilities with variable interest rates expose the Trusts to cash flow interest rate risk.

The Trusts are exposed to this risk through its interest-bearing investments, including fixed income securities.

(iii) Equity risk:

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Trusts are not exposed to this risk based on the current investment portfolio.