
**THE CORPORATION OF THE MUNICIPALITY OF
THE VILLAGE OF BURK'S FALLS**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS
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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Municipality of the Village of Burk's Falls

Opinion

We have audited the consolidated financial statements of The Corporation of the Municipality of the Village of Burk's Falls ("the Village"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Municipality of the Village of Burk's Falls as at December 31, 2024, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

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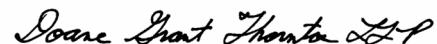
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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 Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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



North Bay, Canada
December 2, 2025

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash (Note 5)	\$ 2,705,873	\$ 2,544,144
Investments (Note 6)	39,131	30,553
Taxes receivable (Note 7)	243,010	237,454
Accounts receivable	438,066	292,514
Investment in Lakeland Holding Ltd. (Note 8)	2,179,076	2,125,811
Inventories held for resale	17,706	16,829
	5,622,862	5,247,305
LIABILITIES		
Accounts payable and accrued liabilities	549,740	552,981
Deferred revenue-general (Note 9)	295,428	231,202
Deferred revenue-obligatory reserve funds (Note 10)	907,356	769,026
Long-term debt (Note 11)	6,280,410	6,437,673
Tangible capital leases (Note 12)	9,220	22,748
Employee benefits payable (Note 13)	18,128	18,248
Asset retirement obligations (Note 15)	325,098	296,946
	8,385,380	8,328,824
NET DEBT	(2,762,518)	(3,081,519)
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 18)	27,815,658	28,292,248
Inventories of supplies	31,302	27,152
Prepaid expenses	5,757	11,364
	27,852,717	28,330,764
ACCUMULATED SURPLUS (Note 19)	\$ 25,090,199	\$ 25,249,245
ACCUMULATED SURPLUS IS COMPRISED OF:		
Accumulated operating surplus	\$ 25,086,262	\$ 25,245,308
Accumulated remeasurement gains and losses	3,937	3,937
	\$ 25,090,199	\$ 25,249,245

Contingencies (Notes 3, 17)
 Contractual Obligations (Note 16)

APPROVED ON BEHALF OF COUNCIL:

 Mayor

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS
CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED OPERATING SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget 2024 (see Note 23)	Actual 2024	Actual 2023
REVENUE			
Property taxes	\$ 1,542,403	\$ 1,543,861	\$ 1,473,549
User charges	809,662	799,036	783,546
Government transfers	1,062,643	903,827	792,184
Lakeland Holding Ltd. - share of operating income, net of dividends (Note 8)	-	53,265	79,837
Restructuring net revenue (expense) (Note 21)	-	(1,604)	707
Almaguin Manor Residence revenue	-	490,417	467,295
Other	534,511	539,634	433,412
TOTAL REVENUE	3,949,219	4,328,436	4,030,530
EXPENSES			
General government	832,545	791,572	664,461
Protection to persons and property	499,971	504,348	496,056
Transportation services	827,221	724,570	726,078
Environmental services	948,342	994,264	871,719
Health services	354,788	338,140	365,427
Social and family services	228,091	583,690	603,329
Recreation and cultural services	476,015	452,658	415,308
Planning and development	148,723	98,240	148,962
TOTAL EXPENSES	4,315,696	4,487,482	4,291,340
ANNUAL OPERATING DEFICIT	(366,477)	(159,046)	(260,810)
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR	25,245,308	25,245,308	25,506,118
ACCUMULATED OPERATING SURPLUS, END OF YEAR	\$ 24,878,831	\$ 25,086,262	\$ 25,245,308

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
ACCUMULATED REMEASUREMENT GAINS, BEGINNING AND END OF YEAR	\$ 3,937	\$ 3,937

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget 2024 (see Note 23)	Actual 2024	Actual 2023
Annual operating deficit	\$ (366,477)	\$ (159,046)	\$ (260,810)
Acquisition of tangible capital assets	(711,427)	(477,252)	(482,424)
Revaluation of tangible capital assets - ARO	-	(10,061)	(3,688)
Shared services tangible capital assets transfer - net	-	(1,930)	(1,303)
Amortization of tangible capital assets	908,048	908,048	900,618
(Gain) Loss on disposal of tangible capital assets	-	(4,561)	10,690
Proceeds from disposal of tangible capital assets	2,860	62,346	216
Change in supplies inventories	-	(4,150)	(5,594)
<u>Change in prepaid expenses</u>	-	5,607	(7,117)
Decrease (increase) in net debt	(166,996)	319,001	150,588
Net debt, beginning of year	(3,081,519)	(3,081,519)	(3,232,107)
Net debt, end of year	\$ (3,248,515)	\$ (2,762,518)	\$ (3,081,519)

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
Operating transactions		
Annual operating deficit	\$ (159,046)	\$ (260,810)
Non-cash charges to operations:		
Amortization of tangible capital assets	908,048	900,618
Accretion expense on ARO liability	12,945	11,364
Revaluation of tangible capital assets - ARO	(10,061)	(3,688)
Change in ARO liability excluding accretion and settlements	15,207	12,835
Shared services tangible capital assets transfer - net	(1,930)	(1,303)
(Gain) Loss on disposal of tangible capital assets	(4,561)	10,690
Change in employee benefits payable	(120)	452
Lakeland Holding Ltd. - share of operating income net of dividends	(53,265)	(79,837)
	707,217	590,321
Changes in non-cash items:		
Taxes receivable	(5,556)	4,872
Accounts receivable	(145,552)	260,670
Inventories held for resale	(877)	21,068
Accounts payable and accrued liabilities	(3,241)	122,630
Deferred revenue-general	64,226	67,839
Deferred revenue-obligatory reserve funds	138,330	179,451
Inventories of supplies	(4,150)	(5,594)
Prepaid expenses	5,607	(7,117)
	48,787	643,819
Cash provided by operating transactions	756,004	1,234,140
Capital transactions		
Acquisition of tangible capital assets	(477,252)	(482,424)
Proceeds from disposal of tangible capital assets	62,346	216
Cash applied to capital transactions	(414,906)	(482,208)
Investing transactions		
Increase in investments	(8,578)	(1,662)
Cash applied to investing transactions	(8,578)	(1,662)
Financing transactions		
Debt principal repayments	(157,263)	(153,556)
Tangible capital lease repayments	(13,528)	(13,172)
Cash applied to financing transactions	(170,791)	(166,728)
Net change in cash	161,729	583,542
Cash, beginning of year	2,544,144	1,960,602
Cash, end of year	\$ 2,705,873	\$ 2,544,144
Cash flow supplementary information:		
Cash paid for interest	\$ 220,578	\$ 225,937

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2024

MANAGEMENT RESPONSIBILITY

The consolidated financial statements of the Corporation of the Municipality of the Village of Burk's Falls (the "Municipality") are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 1. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are 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 the consolidated financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Reporting Entity

These consolidated statements reflect the assets, liabilities, revenue, expenses and accumulated surplus balances of the reporting entity. The reporting entity is comprised of all committees of Council and the boards, joint boards and municipal enterprises for which Council is politically accountable as follows:

(i) Consolidated and proportionally consolidated entities

The following local boards and enterprises are consolidated:

Cemetery
Almaguin Manor Residence

The following joint boards and committees are proportionally consolidated:

Fire
TRI R
Arena and Community Centre
Library
Building Committee
Economic Development

Inter-organizational transactions and balances between these organizations are eliminated.

(ii) Modified equity accounting

Government business enterprises are accounted for by the modified equity method. Under this method the business enterprises' accounting principles are not adjusted to conform with those of the Municipality and inter-organizational transactions and balances are not eliminated. The following government business enterprise is included in these financial statements: Lakeland Holding Ltd.

(iii) Non-consolidated entities

The following joint boards are not consolidated:

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

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLSNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 20241. **SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*(iv) **Accounting for school board transactions**

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

(v) **Trust funds**

Trust funds administered by the Municipality are not included in these consolidated financial statements, but are reported separately on the trust funds financial statements.

(b) **Basis of Accounting**(i) **Accrual basis of accounting**

Revenue and expenses are reported on the accrual basis of accounting. Revenue from transactions with performance obligations is recognized when (or as) the performance obligation is satisfied by providing the promised goods or services to the payer. Performance obligations are defined as enforceable promises to provide specific goods or services to a specific payer. Revenue from transactions with no performance obligations is recognized when the Municipality has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) **Cash**

Cash includes cash on hand and balances held at financial institutions.

(iii) **Non-financial assets**

Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of municipal services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(a) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset, as well as any asset retirement obligations related to the asset. Tangible capital assets received as donations are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements - 20 years
 Leasehold improvements - 20 years
 Buildings - 10 to 40 years
 Machinery, equipment and furniture - 5 to 20 years
 Vehicles - 8 to 15 years
 Roads - 8 to 75 years
 Bridges - 60 years
 Water and wastewater infrastructure - 20 to 75 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.

Estimated closure and post-closure expenses for active landfill sites as well as the land occupied by the sites and related land improvements are amortized annually on the basis of capacity used during the year as a percentage of the estimated total capacity of the landfill site.

Interest related to the acquisition of capital assets is not capitalized, but is expensed in the year incurred.

(b) Inventories of supplies

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

(iv) 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 Consolidated Statement of Financial Position.

(v) Government transfers

Government transfers are recognized in the financial statements as revenue when the transfer is authorized 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. Transfer revenue is recognized in the Consolidated Statement of Operations as the stipulation liabilities are settled.

(vi) Deferred revenue

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

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
Year Ended December 31, 2024**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(vii) **Taxation and related revenue**
Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. Property tax billings are prepared by the Municipality based on assessment rolls, supplementary assessment rolls and other assessment adjustments issued by the Municipal Property Assessment Corporation ("MPAC"). Taxation revenue is initially recorded at the time assessment information is received from MPAC and is subsequently adjusted based on management's best estimate of the amount of tax revenue resulting from assessment adjustments that have not yet been received from MPAC. The Municipality is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.

(viii) **Pensions and employee benefits**
The Municipality accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. Obligations for sick leave and employee retirement gratuities under employee benefits payable are accrued as the employees render the services necessary to earn the benefits.

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(ix) Financial instruments

Financial instruments are classified as either fair value, amortized cost or cost.

Financial instruments classified as fair value are initially recognized at cost and subsequently carried at fair value. Financing fees and transaction costs on financial instruments measured at fair value are expensed as incurred. Unrealized gains and losses on financial assets are recognized in the Consolidated Statement of Remeasurement Gains and Losses. Once realized, remeasurement gains and losses are transferred to the Consolidated Statement of Operations.

Financial instruments classified as amortized cost are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. The effective interest rate method allocates interest income or interest expense over the relevant period, based on the effective interest rate. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement, provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the Consolidated Statement of Operations.

Financial liabilities (or part of a financial liability) are removed from the Consolidated Statement of Financial Position when, and only when, they are discharged, cancelled or expire.

The Municipality's financial instruments are measured according to the following methods:

<u>Financial instrument</u>	<u>Measurement method</u>
Cash	Amortized cost
Investments	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
Year Ended December 31, 2024**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(x) Asset retirement obligations**

A liability for an asset retirement obligation is recognized when, 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 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.

The liability is recorded at an amount that is the best estimate of the expenditure required to retire a capital asset at the financial statement date. The liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. When an asset retirement obligation is initially recognized, a corresponding asset retirement cost is added to the carrying value of the related capital asset when it is still in productive use. This cost is amortized over the useful life of the capital asset. If the related capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

(xi) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 revenue and expenses during the period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Municipality may undertake in the future. Significant accounting estimates include valuation allowances for taxes and accounts receivable, estimated useful lives of tangible capital assets, employee benefits payable, estimated costs and timing of asset retirement obligations and supplementary taxes. Actual results could differ from these estimates.

There is a measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$325,098. These estimates are subject to uncertainty because of several factors including, but not limited to estimated settlement dates, estimated costs and change in the discount rate. These estimates are reviewed annually and, as adjustments become necessary, they are recorded in the period in which they become known.

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

2. CHANGE IN ACCOUNTING POLICIES - ADOPTION OF NEW ACCOUNTING STANDARDS

On January 1, 2024, the Municipality adopted Public Sector Accounting Standard PS 3400 - Revenue. New Section PS 3400 establishes standards on how to account for and report on revenue. It does not apply to revenues for which specific standards already exist, such as government transfers, tax revenue or restricted revenues. The Section distinguishes between revenue that arises from transactions that include performance obligations (i.e., exchange transactions) and transactions that do not have performance obligations (i.e., non-exchange transactions). The Municipality has adopted this new standard prospectively. The adoption of this new standard had no impact on the opening balances.

On January 1, 2024, the Municipality adopted new Public Sector Guideline PSG-8 - Purchased Intangibles. The main features of PSG-8 include a definition of purchased intangibles (which does not include those received through government transfer, contribution or inter-entity transactions), examples of items that are not purchased intangibles, reference to other guidance in the Handbook on intangibles and reference to the asset definition, general recognition criteria and the GAAP hierarchy for accounting for purchased intangibles. The Municipality has adopted this new guideline prospectively. The adoption of this new guideline had no impact on the Municipality's consolidated financial statements.

On January 1, 2024, the Municipality adopted Public Sector Accounting Standard PS 3160 - Public Private Partnerships. New Section PS 3160 establishes standards on how to account for partnerships between public and private sector entities where infrastructure is procured by a public sector entity using a private sector partner that is obligated to design, build, acquire or better infrastructure; finance the infrastructure past the point where the infrastructure is ready for use and operate and/or maintain the infrastructure. Infrastructure typically includes items such as tangible capital assets (i.e., complex network systems), but may also include items that are intangible in nature. The Municipality has adopted this new standard prospectively. The adoption of this new standard had no impact on the Municipality's consolidated financial statements.

3. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

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

	2024	2023
District of Parry Sound Social Services Administration Board	\$ 36,909	\$ 35,943
North Bay Parry Sound District Health Unit	29,703	28,837
District of Parry Sound (East) Home for the Aged	31,553	30,833
	\$ 98,165	\$ 95,613

The Municipality is contingently liable for its share, if any, of the accumulated deficits as at the end of the year for these boards. The Municipality's share of the accumulated surpluses (or deficits) of these boards has not been determined at this time.

The Municipality is also contingently liable for its share, if any, of the long-term liabilities issued by other municipalities for these boards. The Municipality's share of these long-term liabilities has not been determined at this time.

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

4. TRANSACTIONS ON BEHALF OF OTHERS

- (a) During the year, \$222,542 of taxation was collected on behalf of school boards (2023 - \$221,190).
- (b) The Municipality administers care and maintenance trust funds totaling \$128,687 (2023 - \$123,825) which are funded by the sale of cemetery interment rights and markers. These funds are invested and earnings derived therefrom are used to perform maintenance at the Municipality's cemetery. The trust funds are not included in these consolidated financial statements as they are being held in trust for the benefit of others.

5. CASH

Cash is comprised of:

	2024	2023
Unrestricted cash	\$ 1,755,273	\$ 1,741,474
Restricted cash	950,600	802,670
	\$ 2,705,873	\$ 2,544,144

Restricted cash includes amounts segregated in accordance with the requirements of the CMHC Insurance Certificate (as a condition of the Almaguin Manor Residence loan guarantee with RBC) and amounts restricted by Federal and Provincial legislation. The use of cash related to the Almaguin Manor Residence reserve fund and obligatory reserve funds, reported in Note 10, is externally restricted.

6. INVESTMENTS

Investments are comprised of guaranteed investment certificates, bearing interest at rates ranging from 4.9% to 5.1% and maturing between May 15, 2025 and July 5, 2026.

7. TAXES RECEIVABLE

Taxes receivable are comprised of the following:

	2024	2023
Taxes and amounts added for collection purposes-current year	\$ 181,240	\$ 135,391
Taxes and amounts added for collection purposes-previous year	43,113	55,555
Taxes and amounts added for collection purposes-prior years	5,569	26,711
Penalties and interest	17,088	23,797
Valuation allowance	(4,000)	(4,000)
	\$ 243,010	\$ 237,454

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

8. INVESTMENT IN LAKELAND HOLDING LTD.

Lakeland Holding Ltd. is a municipally owned government business enterprise. Two of its subsidiaries produce and distribute hydro electric power to users in Bracebridge, Huntsville, Sundridge, Burk's Falls, Magnetawan and Parry Sound. A third subsidiary sells utility related products and services. The Municipality holds a 3.34% ownership stake in the common shares of Lakeland Holding Ltd.

Condensed financial information in respect to Lakeland Holding Ltd. is provided below.

	2024	2023
Consolidated Statement of Financial Position		
Assets		
Current Assets	\$ 18,180,338	\$ 20,297,535
Non-Current Assets	149,973,217	145,995,233
Total Assets	168,153,555	166,292,768
Regulatory Deferral Account Balances and Related Deferred Tax	702,173	873,877
Total Assets and Regulatory Deferral Account Balances	168,855,728	167,166,645
Liabilities		
Current Liabilities	14,590,203	24,358,753
Non-Current Liabilities	89,023,725	79,160,849
Total Liabilities	103,613,928	103,519,602
Shareholders' Equity	65,241,800	63,647,043
Total Liabilities and Equity	\$ 168,855,728	\$ 167,166,645
Municipality's investment, comprised of:		
Accumulated other comprehensive income	\$ 3,937	\$ 3,937
Other shareholders' equity	2,175,139	2,121,874
	\$ 2,179,076	\$ 2,125,811
Consolidated Statement of Comprehensive Income		
Total operating revenue	\$ 72,947,088	\$ 69,244,037
Total operating expenses	(66,287,572)	(60,954,833)
Other income and expenses	(2,084,799)	(1,858,777)
Provision for payments in lieu of taxes	(1,189,843)	(1,675,037)
Profit (loss) from discontinued operations	76,312	(241,441)
Net movement in regulatory deferral account balances	133,571	(123,599)
Total comprehensive income for the year	\$ 3,594,757	\$ 4,390,350
Municipality's share of profit for the year and net movements in regulatory deferral account balances	\$ 120,065	\$ 146,637
Less: dividends received from Lakeland Holding Ltd.	(66,800)	(66,800)
Municipality's share of operating income, net of dividends and increase in Municipality's investment	\$ 53,265	\$ 79,837

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

9. DEFERRED REVENUE-GENERAL

Details of the deferred revenue reported on the Consolidated Statement of Financial Position are as follows:

	2024	2023
Balance, beginning of year:		
Northern Ontario Resource Development Support (NORDS)	\$ 210,314	\$ 140,155
Ontario Cannabis Legalization Implementation Fund	19,252	19,252
Other deferred revenue	1,636	3,956
	231,202	163,363
Received during the year:		
Northern Ontario Resource Development Support (NORDS)	65,564	67,731
Other funding	2,599	1,636
Interest earned	5,932	2,428
	74,095	71,795
Recognized in revenue during the year	(9,869)	(3,956)
Balance, end of year	\$ 295,428	\$ 231,202
Northern Ontario Resource Development Support (NORDS)	\$ 281,810	\$ 210,314
Ontario Cannabis Legalization Implementation Fund	11,019	19,252
Other deferred revenue	2,599	1,636
Balance, end of year	\$ 295,428	\$ 231,202

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

10. DEFERRED REVENUE-OBLIGATORY RESERVE FUNDS

The Municipality receives payments in lieu of parkland under the Planning Act, building permit revenue under the Building Code Act, Federal Community-Building funding (previously gas tax) under an agreement with the Association of Municipalities of Ontario and Ontario Community Infrastructure Fund revenue under an agreement with the Ministry of Infrastructure. Legislation restricts how these funds may be used, and under certain circumstances, how these funds may be refunded.

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. Building permit revenue is recognized when applicable building expenditures are incurred. Community-Building and Ontario Community Infrastructure Fund revenue recognition occurs when the Municipality has approved the expenditures for eligible operating expenditures and capital works.

Details of the deferred revenue-obligatory reserve funds reported on the Consolidated Statement of Financial Position are as follows:

	2024	2023
Balance, beginning of year:		
Recreational land (the Planning Act)	\$ 965	\$ -
Building Code Act	47,772	33,362
Community-Building	189,272	158,819
Ontario Community Infrastructure Fund	531,017	397,394
	769,026	589,575
Received during the year:		
Recreational land (the Planning Act)	2,250	965
Building Code Act	-	14,410
Community-Building	61,146	64,931
Ontario Community Infrastructure Fund	205,406	241,654
Interest earned	19,272	9,400
	288,074	331,360
Recognized in revenue during the year	(149,744)	(151,909)
Balance, end of year	\$ 907,356	\$ 769,026
Recreational land (the Planning Act)	\$ 3,280	\$ 965
Building Code Act	28,758	47,772
Community-Building	255,437	189,272
Ontario Community Infrastructure Fund	619,881	531,017
Balance, end of year	\$ 907,356	\$ 769,026

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

11. LONG-TERM DEBT

(a) The balance of long-term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2024	2023
Ontario Infrastructure and Lands Corporation amortizing debenture, due October 15, 2049, repayable in semi-annual payments of \$49,167, including interest calculated at 2.75%. Secured by future provincial funding	\$ 1,769,310	\$ 1,817,981
Ontario Infrastructure and Lands Corporation amortizing debenture, due December 2032, repayable in semi-annual payments of \$29,396, including interest calculated at 3.12%. Secured by future Provincial funding	413,399	458,241
Mortgage with RBC Life Insurance Company, due January 2060, repayable in monthly payments of \$17,873, including interest calculated at 3.65%. The mortgage has been recorded net of transaction costs of \$192,145 and is amortized using an effective interest rate of 3.94%. As security, Almaguin Manor Residence has pledged the property (carrying value \$5,802,458) and replacement reserve funds (carrying value \$43,244) and has provided a general assignment of rents and leases from the property and a CMHC Insurance Certificate	4,064,059	4,120,000
Proportionate share of Fire Department Ontario Infrastructure and Lands Corporation amortizing debenture, due July 2028, repayable in semi-annual payments of \$15,703 including interest calculated at 2.97%. Secured by future Provincial funding	33,642	41,451
	\$ 6,280,410	\$ 6,437,673

(b) Future estimated principal and interest payments on long-term debt are as follows:

	Principal	Interest
2025	\$ 159,178	\$ 214,966
2026	164,463	209,628
2027	169,926	204,116
2028	175,577	198,423
2029	172,368	192,612
2030 onwards	5,438,898	2,996,792
	\$ 6,280,410	\$ 4,016,537

(c) Total charges for the year for long-term debt which are reported in the financial statements are as follows:

	2024	2023
Principal payments	\$ 157,263	\$ 153,556
Interest	219,342	225,222
	\$ 376,605	\$ 378,778

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

12. TANGIBLE CAPITAL LEASES

The Municipality has an ongoing streetlight lease, which is accounted for on the Consolidated Statement of Financial Position at the present value of future minimum lease payments, using a discount rate of 2.66%. Future minimum lease payments are as follows:

	2024	2023
2024	\$ -	\$ 13,969
2025	9,312	9,312
Total minimum lease payments	9,312	23,281
Less amount representing interest	(92)	(533)
Present value of future minimum capital lease payments	\$ 9,220	\$ 22,748

Interest of \$441 (2023 - \$797) relating to capital lease obligations has been reported on the Consolidated Statement of Operations.

13. EMPLOYEE BENEFITS PAYABLE

- (a) Under the sick leave benefits plan, unused sick leave can accumulate to a prescribed maximum and qualifying employees may become entitled to a cash payment when they leave the Municipality's employment. The sick leave benefit liability estimates the use of accumulated sick leave prior to retirement, as well as any lump-sum payments upon retirement, and assumes that both the appropriate discount rate and future salary and wage levels will increase by 2% per annum. The liability for these accumulated days amounted to \$17,283 (2023 - \$16,732) at the end of the year.
- (b) Under the retirement gratuity policy of the Joint Building Committee, qualifying employees are entitled to a payout, upon retirement, based on length of service and rate of pay. The retirement gratuity liability estimates the lump-sum payments upon retirement, and assumes that both the appropriate discount rate and future salary and wage levels will increase by 2% per annum. The liability for the retirement gratuity is estimated at \$845 (2023 - \$1,516) at the end of the year.

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

14. FINANCIAL INSTRUMENTS

Risks arising from financial instruments and risk management

The Municipality is exposed to various risks through its financial instruments.

Credit risk

Credit risk is the risk of financial loss to the Municipality if a debtor fails to honour its contractual obligations. The Municipality is exposed to this risk as a result of its cash, investments, accounts receivable and long-term receivables. The carrying amounts of these financial assets on the Consolidated Statement of Financial Position represent the maximum credit risk of the Municipality as at the reporting date.

The Municipality holds its cash and investments with a federally regulated chartered bank and a provincially regulated credit union who are insured, respectively, by the Canadian Deposit Insurance Corporation ("CDIC") and the Financial Services Regulatory Authority of Ontario ("FSRA"). The CDIC insurance is up to \$100,000 per deposit account and the FSRA insurance is up to \$250,000 in aggregate.

Accounts receivable are primarily due from other levels of government and municipal ratepayers. Credit risk is mitigated by the financial solvency of the governments, the highly diversified nature of the ratepayer population and the potential for the Municipality to transfer unpaid ratepayer receivables to taxes receivable. The amounts outstanding at year-end were as follows:

2024		Current	Past Due	Indeterminate Due Date	TOTAL
Federal	\$ 126,347	\$ 6,386	\$ -	\$ 132,733	
Provincial	6,235	5,979	-		12,214
Other municipalities	98,146	1,893	15,479		115,518
Ratepayers - water and wastewater	106,353	16,093	-		122,446
Other	44,839	10,316	-		55,155
Valuation allowance	-	-	-		-
Net receivables	\$ 381,920	\$ 40,667	\$ 15,479	\$ 438,066	

2023		Current	Past Due	Indeterminate Due Date	TOTAL
Federal	\$ 35,773	\$ 25,300	\$ -	\$ 61,073	
Provincial	29,424	6,325	-		35,749
Other municipalities	40,756	166	17,629		58,551
Ratepayers - water and wastewater	100,560	12,158	-		112,718
Other	19,808	4,615	-		24,423
Valuation allowance	-	-	-		-
Net receivables	\$ 226,321	\$ 48,564	\$ 17,629	\$ 292,514	

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

14. FINANCIAL INSTRUMENTS (Continued)

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

Liquidity risk

Liquidity risk is the risk that the Municipality will not be able to meet its financial obligations as they become due. The Municipality is exposed to this risk with respect to its accounts payable and accrued liabilities and long-term debt. The Municipality maintains sufficient cash balances to meet its obligations, and does not believe it is subject to significant liquidity risk.

The table below sets out the payable dates of the Municipality's accounts payable and accrued liabilities. This includes planning-related accounts which have an indeterminate payable date as they are settled when the related planning application has been finalized. The long-term debt repayment schedule is disclosed in Note 11.

2024	Within 6 months	6 months to 1 year	1 to 5 years	Indeterminate payable date	TOTAL
Accounts payable and accrued liabilities \$ 449,935	\$ 449,935	\$ 55,784	\$ -	\$ 44,021	\$ 549,740

2023	Within 6 months	6 months to 1 year	1 to 5 years	Indeterminate payable date	TOTAL
Accounts payable and accrued liabilities \$ 491,362	\$ 491,362	\$ 23,861	\$ -	\$ 37,758	\$ 552,981

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

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk. The Municipality is not exposed to significant currency or equity risk as it does not transact materially in foreign currency or hold equity financial instruments. It is primarily exposed to interest rate risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Municipality is exposed to interest rate risk on its interest-bearing investments and long-term debt. Fixed-rate instruments subject the Municipality to a fair value risk.

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

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

15. ASSET RETIREMENT OBLIGATIONS

Liabilities related to asset retirement obligations are recognized in full when the legal obligation arises. When initially recording this obligation, the estimated present value of future cash flows for retirement costs for assets in use are capitalized to the carrying amount of the associated assets, and amortized over the useful life of the related asset. Subsequent revisions to the estimated cost are also capitalized and amortized as part of the asset. Accretion of the discounted liability due to the passage of time is recorded as an in-year expense.

The Municipality has recorded the following asset retirement obligations:

- a) A liability of \$53,368 (2023 - \$51,142) relating to designated substances in buildings used by the Municipality and its shared services, which represents the Municipality's share of the total discounted future cash flows for removal and disposal of using estimated long-term borrowing rates ranging from 4.14% to 4.40% (2023 - 4.14% to 4.40%) and inflation rate of 2.60% (2023 - 2.60%).
- b) A liability of \$162,394 (2023 - \$155,565) relating to the designated substances in the Municipality's wastewater lines, which represents the total discounted future cash flows for removal and disposal using an estimated long-term borrowing rate of 4.39% (2023 - 4.39%) and inflation rate of 2.60% (2023 - 2.60%).
- c) A liability of \$109,336 (2023 - \$90,239) relating to the landfill closure and post-closure care requirements for the landfill site jointly operated by the Township of Armour, the Village of Burk's Falls and the Township of Ryerson through the TRI R Committee, which has been defined in accordance with industry standards and includes final cover and landscaping of the landfill site, management of groundwater and leachates, and ongoing environmental monitoring and site inspection.

The site is comprised of the original, inactive, site area with a capacity of 58,000 cubic metres, and an additional 27,700 capacity area, approved in March 2017, that is currently active. The liability for both the inactive and active areas represents the total discounted future cash flows for closure and post-closure care using an estimated long-term borrowing rate of 3.92% (2023 - 4.14%) and inflation rate of 2.6% (2023 - 2.6%). The estimated remaining capacity of the site is approximately 12,695 (2023 - 13,509) cubic metres, estimated to be filled in 12 years (2023 - 11 years). Post-closure care is estimated to be required for a period of 25 years.

The Municipality has reserves of \$126,097 (2023 - \$117,759) related to the landfill site that could be used to fund this liability.

The continuity of the asset retirement obligation reported on the Consolidated Statement of Financial Position is shown below:

	2024	2023
Balance, beginning of year	\$ 296,946	\$ 272,747
Increase in liability reflecting changes in the estimated cash flows, inflation and discount rate	11,456	11,188
Increase in liability due to accretion (the passage of time)	12,945	11,364
Increase in liability due to change in Municipality's proportionate share	3,751	1,647
Balance, end of year	\$ 325,098	\$ 296,946

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLSNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2024

16. CONTRACTUAL OBLIGATIONS

In 2015 the Municipality entered into an agreement with RealTerm Energy Corp. for the installation and maintenance of LED streetlights within the Municipality. The agreement covers a ten-year period commencing October 1, 2015 and ending September 30, 2025. Total payments under the agreement are \$244,998, of which \$139,682 relates to capital lease repayments with respect to the installation of the streetlights (see Note 12) and \$105,316 relates to maintenance and other services to be provided under the agreement. To the end of the year \$94,015, (2023 - \$82,940) of maintenance payments have been made, leaving an amount outstanding of \$11,301 (2023 - \$22,376). As security for the future payments, the Municipality has pledged its streetlight assets and energy conservation equipment.

17. CONTINGENCIES

Under the terms of a funding agreement between the District of Parry Sound Social Services Administration Board and Almaguin Manor Residence, contributions received by Almaguin Manor Residence could become repayable with interest, on a pro-rated basis in certain circumstances if certain terms of the agreements have not been met. At year-end, management is of the opinion that all conditions have been met.

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2024

18. TANGIBLE CAPITAL ASSETS

The tangible capital assets of the Municipality by major asset class are outlined below.

2024

	Land and Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Vehicles	Roads and Bridges	Water and Wastewater Infrastructure	Assets Under Construction	TOTAL
COST								
Balance, beginning of year	\$ 1,986,140	\$ 11,222,255	\$ 1,317,996	\$ 379,729	\$ 18,296,008	\$ 8,299,757	\$ 6,124	\$ 41,508,009
Additions and betterments	93,880	14,716	120,508	215,848	12,216	17,761	2,323	477,252
Revaluation of assets - ARO	10,061	-	-	-	-	-	-	10,061
Shared services assets redistribution	2,956	294	2,960	-	-	-	-	6,210
Disposals and writedowns	(61,392)	(30,320)	(13,695)	(64,390)	(17,897)	(13,265)	(547)	(201,506)
Transfer between classes	-	2,442	-	-	-	-	(2,442)	-
BALANCE, END OF YEAR	2,031,645	11,209,387	1,427,769	531,187	18,290,327	8,304,253	5,458	41,800,026
ACCUMULATED AMORTIZATION								
Balance, beginning of year	691,549	2,671,524	473,377	192,594	6,241,101	2,945,616	-	13,215,761
Annual amortization	45,647	259,216	67,972	30,860	321,776	182,577	-	908,048
Shared services accumulated amortization redistribution	2,482	72	1,726	-	-	-	-	4,280
Amortization disposals	(22,173)	(21,469)	(10,454)	(63,173)	(17,897)	(8,555)	-	(143,721)
BALANCE, END OF YEAR	717,505	2,909,343	532,621	160,281	6,544,980	3,119,638	-	13,984,368
TANGIBLE CAPITAL ASSETS-NET	\$ 1,314,140	\$ 8,300,044	\$ 895,148	\$ 370,906	\$ 11,745,347	\$ 5,184,615	\$ 5,458	\$ 27,815,658

2023

	Land and Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Vehicles	Roads and Bridges	Water and Wastewater Infrastructure	Assets Under Construction	TOTAL
COST								
Balance, beginning of year	\$ 1,980,769	\$ 11,270,834	\$ 1,021,849	\$ 325,253	\$ 18,239,588	\$ 8,268,027	\$ 26,454	\$ 41,132,774
Additions and betterments	-	17,863	291,340	77,978	56,420	38,823	-	482,424
Revaluation of assets - ARO	3,688	-	-	-	-	-	-	3,688
Shared services assets redistribution	1,683	149	1,013	556	-	-	-	3,401
Disposals and writedowns	-	(66,591)	(12,940)	(24,058)	-	(7,093)	(3,596)	(114,278)
Transfer between classes	-	-	16,734	-	-	-	(16,734)	-
BALANCE, END OF YEAR	1,986,140	11,222,255	1,317,996	379,729	18,296,008	8,299,757	6,124	41,508,009
ACCUMULATED AMORTIZATION								
Balance, beginning of year	648,579	2,462,266	418,277	199,061	5,920,067	2,768,167	-	12,416,417
Annual amortization	41,606	275,816	64,687	15,806	321,034	181,669	-	900,618
Shared services accumulated amortization redistribution	1,364	33	527	174	-	-	-	2,098
Amortization disposals	-	(66,591)	(10,114)	(22,447)	-	(4,220)	-	(103,372)
BALANCE, END OF YEAR	691,549	2,671,524	473,377	192,594	6,241,101	2,945,616	-	13,215,761
TANGIBLE CAPITAL ASSETS-NET	\$ 1,294,591	\$ 8,550,731	\$ 844,619	\$ 187,135	\$ 12,054,907	\$ 5,354,141	\$ 6,124	\$ 28,292,248

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLSNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2024

18. TANGIBLE CAPITAL ASSETS *(Continued)*

Included in tangible capital assets are leased tangible capital assets with a cost of \$145,486 (2023 - \$145,486) and accumulated amortization of \$69,106 (2023 - \$61,832).

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

19. ACCUMULATED SURPLUS

The 2024 continuity of accumulated surplus reported on the Consolidated Statement of Financial Position is as follows:

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
Reserves and reserve funds			
Working capital	\$ 162,834	\$ -	\$ 162,834
Integrity commissioner	10,000	10,000	20,000
General government	93,428	(30,678)	62,750
Fire	163,226	(127,358)	35,868
Fire Department	879	-	879
Roads	77,046	20,000	97,046
Public works equipment	-	20,000	20,000
Parabus	17,563	-	17,563
Waste disposal	117,759	8,338	126,097
Recycling	43,741	-	43,741
Hazardous waste	8,000	-	8,000
Water and wastewater	418,982	69,906	488,888
Hospital	15,000	15,260	30,260
Health Centre	34,800	10,000	44,800
Cemetery	3,171	-	3,171
Almaguin Manor Residence	33,644	9,600	43,244
Playground	27,075	2,500	29,575
Walking bridge	49,790	5,000	54,790
Recreation programs	995	-	995
Arena	65,102	5,902	71,004
Theatre	4,054	-	4,054
Library building	8,032	3,113	11,145
Library Board	30,628	2,856	33,484
Steering Committee	240	-	240
Arts Centre	1,980	-	1,980
Community improvement plan	121,830	-	121,830
Kawartha Market	32,330	(27,337)	4,993
Waterfront development	120,000	-	120,000
Economic development	1,620	-	1,620
	1,663,749	(2,898)	1,660,851
Other			
Consolidated tangible capital assets	28,292,248	(476,590)	27,815,658
General operating surplus (deficit)-			
Municipality	140,834	99,019	239,853
Cemetery	20,151	10,203	30,354
Almaguin Manor Residence	(46,434)	9,187	(37,247)
Library	3,130	2,810	5,940
Almaguin Community Economic Development	3,907	(275)	3,632
Unfinanced capital expenditures	(178,536)	3,474	(175,062)
Unfunded amounts -			
Long-term debt	(6,437,673)	157,263	(6,280,410)
Tangible capital leases	(22,748)	13,528	(9,220)
Employee benefits payable	(18,248)	120	(18,128)
Asset retirement obligations	(296,946)	(28,152)	(325,098)
Equity in Lakeland Holding Ltd. - excluding accumulated remeasurement gains and losses	2,121,874	53,265	2,175,139
Operating surplus	25,245,308	(159,046)	25,086,262
Accumulated remeasurement gains and losses	3,937	-	3,937
ACCUMULATED SURPLUS	\$ 25,249,245	\$ (159,046)	\$ 25,090,199

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
Year Ended December 31, 2024

20. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT

The Municipality and its Boards and Committees provide a wide range of services to its citizens. The schedule of segment disclosure provides a breakdown of the annual operating surplus (deficit) reported on the Consolidated Statement of Operations by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which include 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, and bylaw enforcement. Police services are provided by the Ontario Provincial Police under contract.

Transportation Services

Transportation services include roadway systems and winter control.

Environmental Services

This segment includes sanitary sewers, waterworks and solid waste management.

Health Services

This segment includes cemeteries, ambulance services as well as payments to the district health unit.

Social and Family Services

This segment includes Almaguin Manor Residence and payments made to the district 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.

In the preparation of segmented financial information, some allocation of expenses is made. This generally includes charges of rent and equipment usage to specific segments.

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2024

20. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2024

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,543,861	\$ 1,543,861
User charges	3,463	1,017	3,146	690,045	6,132	-	94,463	770	-	799,036
Government transfers -										
Canada	-	-	-	-	-	-	3,333	14,841	-	18,174
Ontario	18,601	14,345	10,278	154,196	-	-	9,120	4,130	608,100	818,770
Other municipalities	-	12,410	-	-	47,420	-	7,053	-	-	66,883
Lakeland Holding Ltd. - share of operating income, net of dividends	-	-	-	-	-	-	-	-	53,265	53,265
Restructuring net expense	-	-	-	-	-	-	-	(1,604)	-	(1,604)
Almaguin Manor Residence revenue	-	-	-	-	-	490,417	-	-	-	490,417
Gain (loss) on disposal of capital assets	-	2,957	-	(7,966)	-	-	(9,264)	18,834	-	4,561
Other	2,226	16,683	2,308	9,268	215,572	-	74,910	7,063	207,043	535,073
TOTAL REVENUE	24,290	47,412	15,732	845,543	269,124	490,417	179,615	44,034	2,412,269	4,328,436
EXPENSES										
Salaries, wages and benefits	528,643	108,502	136,192	220,390	86,777	47	219,162	35,780	-	1,335,493
Long-term debt charges (interest)	-	1,068	441	13,833	-	204,441	-	-	-	219,783
Materials	91,662	62,949	93,183	143,651	98,697	104,912	138,309	30,724	-	764,087
Contracted services	145,491	294,574	130,004	382,434	50,381	56,908	26,677	23,567	-	1,110,036
Rents and financial expenses	8,073	352	616	3,264	5,597	291	8,687	3,541	-	30,421
External transfers	2,504	-	-	-	30,703	68,462	5,000	-	-	106,669
Interfunctional adjustments	-	911	(8,086)	7,179	(4)	-	-	-	-	-
Amortization	14,928	35,040	372,195	212,677	65,761	148,629	54,190	4,628	-	908,048
Accretion of ARO liability	271	952	25	10,836	228	-	633	-	-	12,945
TOTAL EXPENSES	791,572	504,348	724,570	994,264	338,140	583,690	452,658	98,240	-	4,487,482
ANNUAL OPERATING SURPLUS (DEFICIT)	\$ (767,282)	\$ (456,936)	\$ (708,838)	\$ (148,721)	\$ (69,016)	\$ (93,273)	\$ (273,043)	\$ (54,206)	\$ 2,412,269	\$ (159,046)

THE CORPORATION OF THE MUNICIPALITY VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2024

20. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2023

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,473,549	\$ 1,473,549
User charges	2,867	1,336	-	680,887	8,895	-	88,011	1,550	-	783,546
Government transfers -										
Canada	-	-	(354)	-	-	-	2,075	11,877	-	13,598
Ontario	15,481	5,292	3,047	130,633	-	-	8,399	6,353	577,000	746,205
Other municipalities	-	2,808	-	-	22,607	-	6,966	-	-	32,381
Lakeland Holding Ltd. - share of operating income, net of dividends	-	-	-	-	-	-	-	-	79,837	79,837
Restructuring net revenue	-	-	-	-	-	-	-	707	-	707
Almaguin Manor Residence revenue	-	-	-	-	-	467,295	-	-	-	467,295
Loss on disposal of capital assets	-	-	(322)	(4,780)	(3,595)	-	(1,993)	-	-	(10,690)
Other	19,739	21,516	2,397	8,409	174,125	-	13,861	32,383	171,672	444,102
TOTAL REVENUE	38,087	30,952	4,768	815,149	202,032	467,295	117,319	52,870	2,302,058	4,030,530
EXPENSES										
Salaries, wages and benefits	459,439	98,411	136,007	217,239	66,189	592	212,281	32,410	-	1,222,568
Long-term debt charges (interest)	-	1,298	797	15,204	-	207,923	-	-	-	225,222
Materials	92,103	45,677	95,338	118,129	101,573	104,984	115,666	40,561	-	714,031
Contracted services	94,127	324,570	127,912	297,842	81,953	57,147	21,659	67,793	-	1,073,003
Rents and financial expenses	3,723	437	3,026	1,656	4,763	293	6,643	3,541	-	24,082
External transfers	2,716	-	-	-	45,960	66,776	5,000	-	-	120,452
Interfunctional adjustments	(2,835)	911	(8,270)	8,270	(911)	-	2,835	-	-	-
Amortization	14,928	24,563	371,244	203,313	65,681	165,614	50,618	4,657	-	900,618
Accretion of ARO liability	260	189	24	10,066	219	-	606	-	-	11,364
TOTAL EXPENSES	664,461	496,056	726,078	871,719	365,427	603,329	415,308	148,962	-	4,291,340
ANNUAL OPERATING SURPLUS (DEFICIT)	\$ (626,374)	\$ (465,104)	\$ (721,310)	\$ (56,570)	\$ (163,395)	\$ (136,034)	\$ (297,989)	\$ (96,092)	\$ 2,302,058	\$ (260,810)

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
Year Ended December 31, 2024**21. RESTRUCTURING NET REVENUE**

In 2019 the Municipality entered into a joint services agreement for Almaguin Community Economic Development ("ACED"). The agreement included the following independent organizations:

The Corporation of the Township of Perry;
The Municipal Corporation of the Township of Armour;
The Corporation of the Township of Ryerson;
The Corporation of the Village of Sundridge;
The Almaguin Highlands Chamber of Commerce;
The Corporation of the Municipality of Magnetawan;
The Corporation of the Municipality of the Village of Burk's Falls;
The Corporation of the Township of Strong;
The Corporation of the Village of South River;
The Corporation of the Municipality of Powassan;
The Corporation of the Township of Joly.

The Corporation of the Township of Ryerson withdrew from the agreement effective December 31, 2023, and the Municipality of Magnetawan and the Municipality of Powassan withdrew in 2022. The Corporation of the Township of McMurrich/Monteith became a contributing member in 2024. The assets, liabilities and surplus at the time of membership changes are retained by ACED.

The Municipality recorded net expense of \$1,604 (2023 - net revenue \$707) as a result of this restructuring. The value of the tangible assets received and forgone is recorded as a shared services asset redistribution in Note 18.

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

22. RELATED PARTY TRANSACTIONS

Almaguin Manor Residence

The following inter-organizational transactions and balances between Almaguin Manor Residence and the Municipality are eliminated in these financial statements.

a) In 2019, the Municipality entered into a financing agreement with the Ontario Infrastructure and Lands Corporation for the purposes of borrowing \$1,999,900 which was loaned to Almaguin Manor Residence to assist with financing the construction of a 32-suite affordable housing complex. Almaguin Manor Residence is responsible for payments of principal and interest to the Municipality on the amount borrowed. Since 2019, Almaguin Manor Residence has been unable to make all payments as originally scheduled and a revised loan agreement and repayment schedule was negotiated on December 31, 2022. The loan is now repayable in annual payments of \$84,000, including interest at 2.75%. As security, Almaguin Manor Residence has provided a general security agreement. At December 31, the balance of this receivable is \$1,929,777 (2023 - \$1,966,694). The future estimated repayment schedule is as follows:

	Principal	Interest	Total
2025	\$ 23,739	\$ 53,261	\$ 77,000
2026	31,584	52,416	84,000
2027	32,452	51,548	84,000
2028	33,345	50,655	84,000
2029	34,262	49,738	84,000
2030 onwards	1,774,395	918,294	2,692,689
	\$ 1,929,777	\$ 1,175,912	\$ 3,105,689

b) In 2022, the Municipality entered into a loan agreement with Almaguin Manor Residence to provide financing for the replacement of the residence elevator. The loan is repayable in monthly payments of \$1,358, including interest calculated at 4.7%. At the end of the year, the balance of this receivable is \$14,594 (2023 - \$29,822). It is expected to be repaid in 2025.

c) In 2023, the Municipality paid \$1,861 legal fees related to the renegotiation of these loans on behalf of Almaguin Manor Residence. There are no specific terms of repayment on this amount.

d) In 2024, the Municipality paid \$7,536 additional legal fees on behalf of Almaguin Manor Residence. This is expected to be repaid in 2025.

Lakeland Holding Ltd.

The related party transactions below are in the normal course of operations and are recorded at their exchange amount, which is the amount of consideration established and agreed to by the related parties, which approximates the arm's length equivalent value.

In 2024, the Municipality received dividends of \$66,800 (2023 - \$66,800) from, purchased power in the amount of \$153,534 (2023 - \$142,973) from and made sales of \$527 (2023 - NIL) to Lakeland Holding Ltd., a government business enterprise of the Municipality.

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

23. BUDGET FIGURES

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. For unbudgeted amortization of tangible capital assets and asset retirement obligation accretion, the actual amounts for 2024 were used to adjust the reported budgeted amounts. A reconciliation of the adopted and reported budgets is presented below.

	Budget
ADOPTED BUDGET:	
Decrease in general municipal operating surplus	\$ (140,834)
Decrease in reserves and reserve funds	(21,093)
Decrease in board, enterprise and joint board general operating surplus	(58,302)
ADJUSTMENTS:	
Acquisition of tangible capital assets	711,427
Amortization of tangible capital assets	(908,048)
Proceeds from disposal of tangible capital assets	(2,860)
Accretion of asset retirement obligation liability	(12,945)
Decrease in long-term debt	52,651
Tangible capital lease repayment	13,527
ANNUAL OPERATING DEFICIT	\$ (366,477)

24. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain 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. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2024. The results of this valuation disclosed total actuarial liabilities of \$142,489 million with respect to benefits accrued for service with actuarial assets at that date of \$139,576 million indicating an actuarial deficit of \$2,913 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2024 was \$84,245 (2023 - \$76,580) for current service and is included as an expense on the Consolidated Statement of Operations.