

Consolidated Financial Statements of

**THE CORPORATION OF THE
TOWN OF THE BLUE MOUNTAINS**

Year ended December 31, 2023

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Consolidated Financial Statements

Year ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of The Blue Mountains:

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

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and accumulated surplus 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 financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2023, and its results of consolidated operations, its 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.



Emphasis of Matter - Restatement of Financial Statements

We draw your attention to Note 2(a) to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated as a result of the modified retroactive adoption of a change in accounting policy, with respect to PS 3280 – *Asset Retirement Obligations*.

Notes 2 (a) explain the reason for the adjustments.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022 and as at January 1, 2022 as a result of the modified retroactive adoption of a change in accounting policy, with respect to PS 3280 – *Asset Retirement Obligations*. .

In our opinion, such adjustments are appropriate and have been properly applied.

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 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.



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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

January 31, 2025

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Consolidated Statement of Financial Position

December 31, 2023, with comparative information for 2022

| | 2023 | 2022 Restated (Note 2.a) |
|---|--------------------|--------------------------------|
| Financial assets: | | |
| Cash (Note 3) | \$ 7,265,923 | \$ 16,334,957 |
| Investments (Note 4) | 62,253,263 | 66,595,654 |
| Taxes receivable | 2,976,417 | 2,686,698 |
| Trade and other receivables | 6,973,027 | 5,306,852 |
| Long-term receivables (Note 5) | 1,786,861 | 2,107,167 |
| | 81,255,491 | 93,031,328 |
| Liabilities: | | |
| Accounts payable and accrued liabilities (Note 6) | 14,822,214 | 14,138,826 |
| Asset retirement obligation (Note 8) | 28,536,022 | 14,716,617 |
| Deferred revenue (Note 20) | 37,257,152 | 37,570,127 |
| Long-term liabilities (Note 7) | 5,775,128 | 6,304,303 |
| | 86,390,516 | 72,729,873 |
| (Net debt) Net financial assets | (5,135,025) | 20,301,455 |
| Non-financial assets: | | |
| Inventory of supplies | 199,048 | 180,685 |
| Prepaid expenses | 484,196 | 389,036 |
| Tangible capital assets (Note 9) | 273,454,468 | 229,739,055 |
| | 274,137,712 | 230,308,776 |
| Accumulated surplus (Note 10) | \$ 269,002,687 | \$ 250,610,231 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

| | 2023 Budget (Note 11) | 2023 Actual | 2022 Actual Restated (Note 2.a) |
|---|-----------------------------|-------------------|--|
| Revenue: | | | |
| Taxation | \$ 19,605,000 | \$ 20,651,327 | \$ 19,447,775 |
| Fees and user charges | 12,667,137 | 12,946,105 | 12,008,843 |
| Grants (Note 13) | 4,991,550 | 4,839,667 | 5,110,092 |
| Other income (Note 12) | 3,369,960 | 15,460,951 | 15,152,479 |
| Obligatory reserve funds (Note 20) | 6,350,848 | 7,301,983 | 4,145,844 |
| Total revenue | 46,984,495 | 61,200,033 | 55,865,033 |
| Expenses: | | | |
| General government | 6,899,003 | 8,605,392 | 7,299,247 |
| Protection services | 8,666,147 | 8,198,865 | 7,939,255 |
| Transportation services | 7,718,982 | 7,445,992 | 7,602,448 |
| Waste management | 3,038,506 | 3,382,785 | 3,199,048 |
| Water and wastewater | 7,541,795 | 7,487,413 | 7,337,749 |
| Health services | 92,094 | 73,132 | 63,976 |
| Recreation and culture | 4,778,071 | 4,898,588 | 4,670,225 |
| Planning and development | 3,238,663 | 2,715,410 | 2,569,435 |
| Total expense | 41,973,261 | 42,807,577 | 40,681,383 |
| Annual surplus | 5,011,234 | 18,392,456 | 15,183,650 |
| Accumulated surplus, beginning of year, as previously stated | 250,610,231 | 250,610,231 | 238,732,856 |
| Change in accounting policy (Note 2.a) | - | - | (3,306,275) |
| Accumulated surplus, beginning of year, as restated | 250,610,231 | 250,610,231 | 235,426,581 |
| Accumulated surplus, end of year (Note 10) | \$ 255,621,465 | \$ 269,002,687 | \$ 250,610,231 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

| | 2023 Budget (Note 11) | 2023 Actual | 2022 Actual Restated (Note 2.a) |
|---|-----------------------------|----------------|--|
| Annual surplus | \$ 5,011,234 | \$ 18,392,456 | \$ 15,183,650 |
| Acquisition of tangible capital assets | (22,633,000) | (52,127,326) | (27,302,028) |
| Amortization of tangible capital assets | 7,975,039 | 7,975,039 | 7,490,935 |
| Amortization of asset retirement obligations | 137,701 | 137,701 | 137,701 |
| Gain (loss) on disposal of tangible capital assets | - | (99,370) | 76,917 |
| Proceeds on disposal of tangible capital assets | - | 398,543 | 287,810 |
| | (14,520,260) | (43,715,413) | (19,308,665) |
| Inventory of supplies | - | (18,363) | (85,373) |
| Prepaid expenses | - | (95,160) | (134,500) |
| | - | (113,523) | (219,873) |
| Decrease in net financial assets | (9,509,026) | (25,436,480) | (4,344,888) |
| Net financial assets, beginning of year, as previously stated | 20,301,455 | 20,301,455 | 31,735,145 |
| Change in accounting policy (Note 2.a) | - | - | (7,088,802) |
| Net financial assets, beginning of year, as restated | 20,301,455 | 20,301,455 | 24,646,343 |
| (Net debt) Net financial assets, end of year | \$ 10,792,429 | \$ (5,135,025) | \$ 20,301,455 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Consolidated Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

| | 2023 | 2022 Restated (Note 2.a) |
|--|---------------|--------------------------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Annual surplus | \$ 18,392,456 | \$ 15,183,650 |
| Items not involving cash: | | |
| Change in asset retirement obligation | 13,819,405 | 457,482 |
| Amortization of tangible capital assets | 7,975,039 | 7,490,935 |
| Amortization of asset retirement obligations | 137,701 | 137,701 |
| Contributed tangible capital assets | (10,950,836) | (11,891,080) |
| Loss/(gain) on disposal of tangible capital assets | (99,370) | 76,917 |
| | 29,274,395 | 11,455,605 |
| Change in non-cash working capital balances: | | |
| Taxes receivable | (289,719) | 139,364 |
| Trade and other receivables | (1,666,175) | (1,518,827) |
| Prepaid expenses | (95,160) | (134,500) |
| Inventory of supplies | (18,363) | (85,373) |
| Accounts payable and accrued liabilities | 683,388 | 1,156,209 |
| Deferred revenue | (312,975) | (368,232) |
| Net change in cash from operating activities | 27,575,391 | 10,644,246 |
| Capital transactions: | | |
| Cash used to acquire tangible capital assets | (41,176,490) | (15,410,948) |
| Proceeds on disposal of tangible capital assets | 398,543 | 287,810 |
| Net change in cash from capital transactions | (40,777,947) | (15,123,138) |
| Investing activities: | | |
| Increase in temporary investments | 4,342,391 | 6,250,006 |
| Collection of long-term receivables | 320,306 | 389,542 |
| Net change from investing activities | 4,662,697 | 6,639,548 |
| Financing Activities: | | |
| Repayment of long-term liabilities | (529,175) | (523,772) |
| Net change from financing activities | (529,175) | (523,772) |
| Net change in cash | (9,069,034) | 1,636,884 |
| Cash, beginning of year | 16,334,957 | 14,698,073 |
| Cash, end of year | \$ 7,265,923 | \$ 16,334,957 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

1. Significant Accounting Policies

a. Basis of accounting

The consolidated financial statements of The Corporation of the Town of The Blue Mountains (the "Town") are representations of management. They have been prepared in accordance with the Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB).

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

b. Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items such as accrued grant receivables, accrued liabilities, post-employment benefits and solid waste landfill closure and post-closure costs. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.

c. Basis of consolidation

The consolidated statements reflect the assets, liabilities, revenues and expenses of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenses have been eliminated on consolidation.

| | |
|---|------|
| The Blue Mountains Public Library Board | 100% |
| Thornbury Business Improvement Area | 100% |
| The Blue Mountains Attainable Housing Corporation (BMAHC) | 100% |

d. Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term highly liquid investments that are readily convertible into cash.

e. Financial instruments

The Town classifies all of its financial instruments at amortized cost. The maximum exposure to credit risk is the carrying value of the financial instruments. These financial instruments include cash, taxes receivable, trade and other receivables, long-term investments, loans receivable, accounts payable and accrued liabilities, and long-term liabilities. All financial instruments are assessed for impairment on an annual basis. When 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. As all financial instruments are measured at cost or amortized cost, there have been no re-measurement gains or losses and the statement of remeasurement has been excluded.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

1. Significant Accounting Policies (continued)

e. Financial instruments (continued)

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

f. Long-term receivables

Long-term receivables are recorded at cost.

g. Inventory of supplies

Inventory held for consumption is recorded at the lower of cost and replacement cost.

h. Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Costs include all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the assets is based on estimates made by Council. The following rates are used:

| Asset | Useful Life – Years |
|-----------------------------------|---------------------|
| Land improvements | 10 to 50 years |
| Buildings | 15 to 50 years |
| Machinery, equipment and vehicles | 5 to 50 years |
| Water systems | 20 to 100 years |
| Sewer systems | 20 to 100 years |
| Roads | 10 to 75 years |

Asset retirement obligations are amortized using the same basis and useful life as the underlying asset.

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

i. Post-employment benefits

The municipality provides post-employment health and life insurance benefits to eligible retired employees. The benefits earned by employees are determined using management's best estimate of expected benefit costs and are expensed as services are rendered.

The contributions to the Ontario Municipal Employee's Retirement System ("OMERS"), a multi-employer defined benefit plan are expensed when contributions are due.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

1. Significant Accounting Policies (continued)

j. County and school board

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

k. Trust funds

Funds held in trust by the municipality, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.

l. Revenue recognition

Revenues are recognized as follows:

- a. Tax levies are recognized as revenue when the amounts are levied on the municipality's ratepayers.
- b. Fines and donations are recognized when collected.
- c. Other revenues are recorded upon sale of goods or provision of service when collection is reasonable assured.
- d. Investment income earned on surplus funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is recorded directly to each fund balance.
- e. Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized and eligibility criteria have been met and reasonable estimates of the amounts can be made.
- f. 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 TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

1. Significant Accounting Policies (continued)

m. Asset retirement obligation

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

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

The asset retirement obligation is based on management's best estimate of the expenditures to settle the obligation.

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. This liability is discounted using a present value calculation and adjusted yearly for accretion expense where there is a known retirement date. The liability for the removal of asbestos in buildings has also been recognized based on estimated future expenses on closure of the site and post-closure care. The recognition of a liability results in an accompanying increase to the respective tangible capital assets.

2. Change in accounting policy and restatements

a. PS 3280 – Asset Retirement Obligations

On January 1, 2022, the Town adopted Public Accounting Standard PS 3280 – *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets and resulted in a withdrawal of Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability. The standard was adopted on the modified retrospective basis at the date of adoption and the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

The Town removed the landfill liability that had been recognized to date and recognized an asset retirement obligation upon adoption of PS 3280 on January 1, 2022. The liability represents the required closure and post-closure care for the active landfill owned by the Town. The liability was measured as of the date of purchase of the sites, when the liability was assumed and was discounted at 3.21% which was the discount rate as of the date of adoption of the standard.

On January 1, 2022, the Town recognized an additional asset retirement obligation relating to the removal of asbestos in buildings and pipes. The liability was measured as of the date of purchase or construction of the buildings and structures which represents when the liability was assumed. The accompanying increase to the respective tangible capital assets was amortized in accordance with the useful lives and depreciation accounting policies outlined in Note 1.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

2. Change in accounting policy and restatements (continued)

a. PS 3280 – Asset Retirement Obligations (continued)

Prior period adjustment:

The comparative financial statements have also been restated for the year ending December 31, 2022, as a result in an immaterial error in calculation of the Solid waste landfill closure and post closure liability. Accordingly, the restatement of the comparative information reflects the adjustment for the immaterial error.

In accordance with the modified retrospective provisions of this new standard and the prior period adjustment, the Town reflected the following adjustments on January 1, 2022:

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

2. Change in accounting policy and restatements (continued)

a. PS 3280 – Asset Retirement Obligations (continued)

A summary of the impact of the adjustments are as follows:

| | 2022 | | | |
|--|----------------------|-------------------------|---------------------|---------------|
| | Previously presented | Adjustment due to error | Adoption of PS 3280 | As restated |
| Consolidated statement of financial position | | | | |
| Solid waste closure and post-closure liabilities | \$ 11,184,861 | \$ (1,633,687) | \$ (9,551,174) | \$ - |
| Asset retirement obligation | - | - | 14,716,617 | 14,716,617 |
| Tangible capital assets | 226,094,229 | - | 3,644,826 | 229,739,055 |
| Accumulated surplus | 250,497,159 | 1,633,687 | (1,520,615) | 250,610,231 |
| Consolidated statement of operations | | | | |
| Expenses | 44,100,729 | (1,633,687) | (1,785,659) | 40,681,383 |
| Annual surplus | 11,764,304 | 1,633,687 | 1,785,659 | 15,183,650 |
| Accumulated surplus, beginning of year | 238,732,856 | 130,150 | (3,436,425) | 235,426,581 |
| Accumulated surplus, end of year | 250,497,159 | 1,633,687 | (1,520,615) | 250,610,231 |
| Consolidated statement of changes in net financial assets | | | | |
| Annual surplus | 11,764,304 | 1,633,687 | 1,785,659 | 15,183,650 |
| Amortization of tangible capital assets | 7,490,934 | - | 137,702 | 7,628,636 |
| Net financial assets, beginning of year | 31,735,145 | - | (7,088,802) | 24,646,343 |
| Net financial assets, end of year | 23,833,208 | - | (3,531,753) | 20,301,455 |
| Consolidated statement of cash flows | | | | |
| Annual surplus | 11,764,304 | 1,633,687 | 1,785,659 | 15,183,650 |
| Amortization of tangible capital assets | 7,490,934 | - | 137,702 | 7,628,636 |
| Change in solid waste closure and post-closure liabilities | 4,014,531 | - | (4,014,531) | - |
| Change in asset retirement obligation | - | - | 457,482 | 457,482 |
| Expense by object | | | | |
| Rent and financials | 4,741,925 | (1,633,687) | (2,380,843) | 727,395 |
| Accretion expense | - | - | 457,481 | 457,481 |
| Amortization of tangible capital assets | 7,490,934 | - | 137,702 | 7,628,636 |
| Annual surplus | \$ 11,764,304 | \$ 1,633,687 | \$ 1,785,659 | \$ 15,183,650 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

2. Change in accounting policy and restatements (continued)

b. PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation

On January 1, 2023, the Town adopted other Public Accounting Standards, PS – 3450 Financial Instruments and PS – 2601 Foreign Currency Translation. These standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured at cost or amortized cost based on the characteristics of the instrument and the Town's accounting policy choices (see Note 1 – Significant Accounting Policies). These standards have no significant impact on the presentation of the financial statements and do not require the adoption of the statement of remeasurement gains.

3. Cash

| | | 2023 | | 2022 |
|--------------|----|-----------|----|------------|
| Unrestricted | \$ | 7,265,923 | \$ | 16,334,957 |
| | \$ | 7,265,923 | \$ | 16,334,957 |

The Town has established segregated interest-bearing bank accounts pursuant to agreements with developers and these funds are for the sole purpose of paying capital costs relating to specific developments.

Cash balances are earning interest at a rate of prime less 1.85%.

The municipality has an available operating facility of \$1,000,000 which was not drawn upon at December 31, 2023. The operating facility is due on demand and bears interest at the bank's prime rate less 0.75%.

4. Investments

| | | 2023 | | 2022 |
|---|----|------------|----|------------|
| High Interest Savings Account, 5.47% | \$ | 25,077,854 | \$ | 25,632,853 |
| Guaranteed Investment Certificates, 1.70% to 5.88% due 2024 to 2029 | | 37,175,409 | | 40,962,801 |
| | \$ | 62,253,263 | \$ | 66,595,654 |

Investments have a market value of \$62,253,263 (2022 - \$66,595,654) as at December 31, 2023.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

5. Long-term receivables

| | 2023 | 2022 |
|---|--------------|--------------|
| Water and sewer loans, 5.5% to 18%, due to 2029 | \$ 1,786,861 | \$ 2,107,167 |
| | \$ 1,786,861 | \$ 2,107,167 |

6. Accounts payable and accrued liabilities

| | 2023 | 2022 |
|--------------------------------------|---------------|---------------|
| Trade accounts payable | \$ 9,153,015 | \$ 7,631,164 |
| Accrued liabilities | 616,368 | 681,083 |
| Developer and other deposits | 5,050,009 | 5,823,757 |
| Post-employment benefits liabilities | 2,822 | 2,822 |
| | \$ 14,822,214 | \$ 14,138,826 |

7. Long-term liabilities

The balance of long-term liabilities reported on the consolidated statement of financial position is made up of the following:

| | 2023 | 2022 |
|---|--------------|--------------|
| Loan payable, 5.11%, repayable in semi-annual principal instalments of \$40,000 plus interest, due 2031 | \$ 640,000 | \$ 720,000 |
| Loan payable, 2.00%, repayable in blended semi-annual payments of \$128,000, due 2027 | 860,462 | 1,095,460 |
| Loan payable, 3.58%, repayable in blended semi-annual payments of \$18,687, due 2037 | 408,716 | 430,861 |
| Loan payable, 3.21% repayable in blended semi-annual payments of \$30,141, due 2033 | 387,594 | 428,393 |
| Loan payable, 2.74% repayable in blended semi-annual payments of \$19,700, due 2046 | 906,200 | 945,600 |
| Loan payable, 2.61% repayable in blended semi-annual payments of \$55,916, due 2046 | 2,572,156 | 2,683,989 |
| | \$ 5,775,128 | \$ 6,304,303 |

The interest expense included on the consolidated statements of operations and accumulated surplus totals \$177,089 (2022 - \$192,075).

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

7. Long-term liabilities (continued)

Principal payments estimated for the next 5 fiscal years, and thereafter if not demanded, are as follows:

| | | |
|------------|----|-----------|
| 2024 | \$ | 534,690 |
| 2025 | | 540,348 |
| 2026 | | 546,119 |
| 2027 | | 424,186 |
| 2028 | | 298,477 |
| Thereafter | | 3,431,308 |
| | \$ | 5,775,128 |

8. Asset retirement obligation

a. Landfill obligation

The Town owns and operates one active landfill site. The liability for the closure of the operational site and post-closure care has been recognized under PS 3280 – Asset Retirement Obligations. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the site and for 48 years post this date. The active site has a remaining capacity of approximately 164,775 m³ and an estimated life expectancy of 26 years. These costs were discounted to December 31, 2023 using a discount rate of 3.21%. Solid waste landfill closure and post-closure costs are funded through the Town's annual budget.

b. Asbestos obligation

The Town owns and operates buildings that are known to have asbestos. Following the adoption of PS 3280 – Asset retirement obligations, the Town recognized an obligation relating to the removal and post-removal care of the asbestos in these building as estimated at January 1, 2022. The buildings have an estimated useful life of 40 years.

The transition and recognition of asset retirement obligations involved an accompanying increase to the Buildings and Landfill capital assets and the restatement of prior year numbers (see note 2). Changes to the asset retirement obligations in the year are as follows:

| Asset retirement obligations | Landfill closure | Building Asbestos removal | Pipe Asbestos removal | Balance at December 31, 2023 |
|------------------------------|------------------|---------------------------|-----------------------|------------------------------|
| Opening balance | \$ 14,037,631 | \$ 243,202 | \$ 435,784 | \$ 14,716,617 |
| Accretion expense | 450,374 | 7,803 | 13,981 | 472,158 |
| In year change in estimate | 13,262,021 | 11,207 | 74,019 | 13,347,247 |
| In year settlement | - | - | - | - |
| Closing balance | \$ 27,750,026 | \$ 262,212 | \$ 523,784 | \$ 28,536,022 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

8. Asset retirement obligation (continued)

| Asset retirement obligations | Landfill closure | Building Asbestos removal | Pipe Asbestos removal | Balance at December 31, 2022 |
|------------------------------|------------------|---------------------------|-----------------------|------------------------------|
| Opening balance | \$ 13,601,257 | \$ 235,642 | \$ 422,237 | \$ 14,259,136 |
| Accretion expense | 436,374 | 7,560 | 13,547 | 457,481 |
| In year change in estimate | - | - | - | - |
| In year settlement | - | - | - | - |
| Closing balance | \$ 14,037,631 | \$ 243,202 | \$ 435,784 | \$ 14,716,617 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

9. Tangible capital assets

| 2023 | Land | Land Improvements | Buildings | Machinery, equipment and vehicles | Water-System | Sewer-System | Road | Asset Retirement Obligation | Work-in-progress | Total |
|---|---------------|-------------------|---------------|-----------------------------------|---------------|---------------|----------------|-----------------------------|------------------|----------------|
| Cost, beginning of year | \$ 28,760,732 | \$ 12,463,068 | \$ 32,072,154 | \$ 39,882,503 | \$ 56,133,610 | \$ 74,416,044 | \$ 109,275,737 | \$ 6,975,616 | \$ 7,884,885 | \$ 367,864,349 |
| Additions | 5,098,773 | 190,884 | 368,958 | 5,006,345 | 3,982,347 | 3,081,484 | 7,029,883 | 13,347,247 | 14,021,405 | 52,127,326 |
| Disposals | - | (329,967) | (42,048) | (1,748,530) | - | - | (48,103) | - | (27,021) | (2,195,669) |
| Transfers | - | 1,120,077 | 1,657,812 | 3,520,226 | 717,160 | 367,126 | 3,274,845 | - | (10,657,246) | - |
| Cost, end of year | 33,859,505 | 13,444,062 | 34,056,876 | 46,660,544 | 60,833,117 | 77,864,654 | 119,532,362 | 20,322,863 | 11,222,023 | 417,796,006 |
| Accumulated amortization, beginning of year | - | 6,613,827 | 15,115,093 | 19,529,132 | 18,113,226 | 17,900,631 | 57,522,594 | 3,330,791 | - | 138,125,294 |
| Amortization | - | 529,707 | 895,510 | 2,324,857 | 747,027 | 921,557 | 2,556,381 | 137,701 | - | 8,112,740 |
| Disposals | - | (329,967) | (29,959) | (1,518,157) | - | - | (18,413) | - | - | (1,896,496) |
| Accumulated amortization, end of year | - | 6,813,567 | 15,980,644 | 20,335,832 | 18,860,253 | 18,822,188 | 60,060,562 | 3,468,492 | - | 144,341,538 |
| Net carrying amount, end of year | \$ 33,859,505 | \$ 6,630,495 | \$ 18,076,232 | \$ 26,324,712 | \$ 41,972,864 | \$ 59,042,466 | \$ 59,471,800 | \$ 16,854,371 | \$ 11,222,023 | \$ 273,454,468 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

9. Tangible capital assets (continued)

| 2022 | Land | Land Improvements | Buildings | Machinery, equipment and vehicles | Water-System | Sewer-System | Road | Asset Retirement Obligation | Work-in-progress | Total |
|---|---------------|-------------------|---------------|-----------------------------------|---------------|---------------|----------------|-----------------------------|------------------|----------------|
| Cost, beginning of year | \$ 28,745,911 | \$ 12,058,976 | \$ 31,225,375 | \$ 39,388,637 | \$ 51,495,792 | \$ 69,026,757 | \$ 100,954,619 | \$ 6,975,616 | \$ 3,404,574 | \$ 343,276,257 |
| Additions | 14,821 | 81,554 | 745,988 | 1,364,220 | 4,637,818 | 5,264,924 | 9,067,358 | - | 6,125,345 | 27,302,028 |
| Disposals | - | (52,500) | (15,181) | (1,631,419) | - | - | (980,156) | - | (34,680) | (2,713,936) |
| Transfers | - | 375,038 | 115,972 | 761,065 | - | 124,363 | 233,916 | - | (1,610,354) | - |
| Cost, end of year | 28,760,732 | 12,463,068 | 32,072,154 | 39,882,503 | 56,133,610 | 74,416,044 | 109,275,737 | 6,975,616 | 7,884,885 | 367,864,349 |
| Accumulated amortization, beginning of year | - | 6,161,486 | 14,278,345 | 18,856,599 | 17,421,862 | 17,038,932 | 55,895,554 | 3,193,090 | - | 132,845,868 |
| Amortization | - | 498,279 | 851,929 | 2,134,970 | 691,364 | 861,699 | 2,452,694 | 137,701 | - | 7,628,636 |
| Disposals | - | (45,938) | (15,181) | (1,462,437) | - | - | (825,654) | - | - | (2,349,210) |
| Accumulated amortization, end of year | - | 6,613,827 | 15,115,093 | 19,529,132 | 18,113,226 | 17,900,631 | 57,522,594 | 3,330,791 | - | 138,125,294 |
| Net carrying amount, end of year | \$ 28,760,732 | \$ 5,849,241 | \$ 16,957,061 | \$ 20,353,371 | \$ 38,020,384 | \$ 56,515,413 | \$ 51,753,143 | \$ 3,644,825 | \$ 7,884,885 | \$ 229,739,055 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

9. Tangible capital assets (continued)

The net book value of tangible capital assets, not being amortized because they are under construction, is \$11,222,023 (2022 - \$7,884,885).

The Town holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

In 2023, \$NIL interest (2022 - \$NIL) was capitalized to tangible capital assets during the year.

10. Accumulated surplus

Accumulated surplus consists of individual fund surplus and reserves as follows:

| | 2023 | 2022 Restated (Note 2.a) |
|---|----------------|--------------------------------|
| Invested in tangible capital assets: | | |
| Tangible capital assets at cost less accumulated amortization | \$ 273,454,468 | \$ 229,739,055 |
| Unfinanced tangible capital assets | (14,134,249) | (6,718,931) |
| Tangible capital assets finance by long-term liabilities and to be funded in future years | (5,775,128) | (6,304,303) |
| Total invested in tangible capital assets | 253,545,091 | 216,715,821 |
| Unfunded vacation and post-employment benefits | (180,911) | (182,359) |
| Unfunded projects | (1,239,018) | (354,891) |
| Unfunded asset retirement obligation | (28,536,022) | (14,716,617) |
| General surplus | 382,353 | (531,686) |
| Attainable Housing Corporation | 284,963 | (396,286) |
| | 224,256,456 | 200,533,982 |
| Reserves and Reserve Funds | 44,746,231 | 50,076,249 |
| Accumulated surplus | 269,002,687 | 250,610,231 |
| Reserves: | | |
| Working funds | 1,693,478 | 2,994,319 |
| Insurance, sick leave and WSIB | 607,878 | 607,878 |
| Current purposes | 4,531,082 | 4,348,765 |
| Capital purposes | 757,015 | 838,285 |
| | 7,589,453 | 8,789,247 |
| Reserve funds | | |
| Capital purposes | 37,156,778 | 41,287,002 |
| | \$ 44,746,231 | \$ 50,076,249 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

11. Budgets

| | 2023 Budget | 2023 Actual | 2022 Actual Restated (Note 2.a) |
|--|----------------|----------------|--|
| Annual surplus | \$ 5,011,234 | \$ 18,392,456 | \$ 15,183,650 |
| Amortization of tangible capital assets | 8,112,740 | 8,112,740 | 7,628,636 |
| Change in unfunded liabilities | - | 13,817,957 | 459,247 |
| Change in unfunded operating expenses | - | 884,127 | 220,734 |
| Change in other surpluses | - | (681,249) | 217,427 |
| | 13,123,974 | 40,526,031 | 23,709,694 |
| Net transfers from (to) reserves | 7,177,711 | 5,330,018 | (128,363) |
| Tangible capital asset acquisitions, disposals and write-downs | (20,447,510) | (51,828,153) | (26,937,301) |
| Capital projects not funded | - | 7,415,318 | 3,611,290 |
| Long-term liabilities issuance | 675,000 | - | - |
| Long-term liabilities principal repayments | (529,175) | (529,175) | (523,774) |
| | - | 914,039 | (268,454) |
| Prior year general surplus | - | (531,686) | (263,232) |
| | - | 382,353 | (531,686) |
| Revenue | 46,984,495 | 65,819,606 | 55,865,033 |
| Expenses | 41,973,261 | 47,427,150 | 40,681,383 |
| | \$ 5,011,234 | \$ 18,392,456 | \$ 15,183,650 |

Under Canadian public sector accounting principles, budget amounts are to be reported on the consolidated statement of operations and changes in net debt for comparative purposes. The 2023 budget amounts approved by Council have been reclassified to conform to the presentation of the consolidated statements of operations and changes in net debt. The following is a reconciliation of the budget approved by Council.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

12. Other income

| | 2023 | 2022 |
|--|----------------------|----------------------|
| Tax penalty and interest | \$ 380,972 | \$ 362,386 |
| Other fines and penalties | 202,628 | 215,017 |
| Investment interest | 2,802,057 | 1,350,710 |
| Licenses, permits and rents | 841,922 | 1,253,984 |
| Donations | 55,880 | 76,866 |
| Contributed tangible capital assets | 10,950,836 | 11,891,080 |
| Gain (loss) on disposal of tangible capital assets | 99,370 | (76,917) |
| Other | 127,286 | 79,353 |
| | \$ 15,460,951 | \$ 15,152,479 |

13. Grants

| | 2023 | 2022 |
|-------------------------------|---------------------|---------------------|
| Operating: | | |
| Province of Ontario | | |
| Unconditional grants | \$ 1,314,401 | \$ 1,323,228 |
| Conditional - Roads | 20,369 | 25,421 |
| Conditional - Other | 398,020 | 469,426 |
| | 1,732,790 | 1,818,075 |
| Government of Canada | | |
| Other | 24,855 | 134,579 |
| Other municipalities | | |
| Conditional - Other | 23,883 | - |
| Total operating grants | 1,781,528 | 1,952,654 |
| Capital | | |
| Province of Ontario | | |
| Conditional - Roads | 1,215,813 | 2,315,001 |
| Conditional - Other | 816,257 | 337,086 |
| | 2,032,070 | 2,652,087 |
| Government of Canada | | |
| Conditional - Other | 1,024,965 | 454,826 |
| Total capital grants | 3,057,035 | 3,106,913 |
| Conditional - Other | 1,104 | 50,525 |
| Total grants | \$ 4,839,667 | \$ 5,110,092 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

14. Pension agreements

The municipality makes contributions to the Ontario Municipality Employees Retirement Systems Fund (OMERS), which is a multi-employer plan, on behalf of its staff. This plan is a defined benefit plan which specifies the amount of the retirement benefits to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The employer amount contributed to OMERS on behalf of 178 members of staff for 2023 current service was \$1,210,460 (2022 - \$1,175,744). The contribution rate for 2023 was 9.00% to 14.60% and 9.20% to 15.80% for firefighters depending on age and income level (2022 – 9.00% to 14.60% and 9.20% to 15.80%).

OMERS is a multi-employer plan, therefore, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2023. At that time, the plan reported a \$4.2 billion actuarial deficit (2022 - \$6.7 billion actuarial deficit).

15. Trust funds

The trust funds administered by the municipality amounting to \$463,716 (2022 - \$463,782) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of financial activities. At December 31, 2023 the trust fund balances are as follows:

| | 2023 | 2022 |
|-------------------------------------|------------|------------|
| Cemetery Care and Maintenance funds | \$ 463,716 | \$ 463,782 |

16. Contractual commitments

- a) The Town has total contractual commitments totaling \$38,378,087. These commitments will be funded by municipal reserve funds, development charges, local improvement charges, government grants and long-term debt.
- b) The Town has entered into lease agreements with various vendors for equipment for the following amounts:

| | | |
|-------|----|---------|
| 2024 | \$ | 107,817 |
| 2025 | | 110,643 |
| 2026 | | 100,370 |
| 2027 | | 103,397 |
| 2028 | | 105,100 |
| Total | \$ | 527,327 |

17. Subdivision agreements

As part of various subdivision agreements, the Town has received letters of credit to cover developers' responsibilities in completing the projects as well as covering unpaid municipal levies. Letters of credit held by the Town on December 31, 2023 amount to \$21,963,940 (2022 - \$14,564,577).

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

18. Claims and lawsuits

From time to time, the Town is subject to claims and other lawsuits that arise in the ordinary course of business, some of which may seek damages in substantial amounts.

These claims may be covered by the Town's insurance up to a maximum of \$50 million in coverage for any one occurrence and in the annual aggregate for products and completed operations during the policy period.

Liability for these claims and lawsuits are recorded to the extent that the probability of a loss is likely, and it is estimable.

19. Segmented information

The Town is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, sewer, water, waste collection, disposal and recycling, recreational, library and planning. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

a. General government

This item relates to the revenues and expense that relate to the governance and operation of the municipality itself and cannot be directly attributed to a specific segment.

b. Protection to persons and property services

Protection is comprised of police services, fire protection, conversation authority, emergency measures, animal control and building and structural inspection. The police services work is to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression services, fire prevention program training and education. The members of the fire department consist of full time firefighters and volunteers. Building and By-law services provides a number of services including By-law enforcement, maintenance and enforcement of building and construction codes and review of all property development plans through its application process.

c. Transportation services

Transportation is responsible for construction and maintenance of the municipality's roadways, bridges, parking areas and streetlighting.

d. Waste management

Waste management consists of providing solid waste collection, landfill and disposal services. It also consists of environmental initiatives.

e. Water and wastewater

Water and wastewater consist of providing collection, distribution and treatment services. It also ensures the municipality's water system meets all Provincial standards.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

19. Segmented information (continued)

f. Health services

Health services include contributions to the operations of local cemeteries.

g. Recreational and cultural services

This service area provides services meant to improve the health and development of the Town's citizens. The Town operates and maintains parks and arenas. The municipality also provides library services and recreational programs.

h. Planning and development

This department is responsible for planning and zoning, including the Official Plan. This service area also includes tourist information and promotion, business improvement area, weed control and drainage.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

- Taxation, payments-in-lieu, penalties and interest:
Allocated to those segments that are funded by these amounts based on the actual for the year.
- Unconditional grants:
Allocated to segments based on the actuals for the year.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

19. Segmented information (continued)

| 2023 | General government | Protection services | Transportation services | Waste management | Water and wastewater | Health services | Recreation and cultural services | Planning and development | Total |
|---|-----------------------|------------------------|----------------------------|---------------------|-------------------------|--------------------|--|-----------------------------|---------------|
| Revenue | | | | | | | | | |
| Taxation | \$ 7,578,789 | \$ 3,721,630 | \$ 4,176,010 | \$ 1,499,955 | \$ - | \$ 38,898 | \$ 2,404,578 | \$ 1,231,467 | \$ 20,651,327 |
| Fees and user charges | 171,618 | 489,375 | 301,820 | 434,336 | 9,108,088 | 10,149 | 1,269,129 | 1,161,590 | 12,946,105 |
| Grants | 483,208 | 411,208 | 1,582,159 | 295,816 | 607,949 | 2,476 | 1,355,429 | 101,422 | 4,839,667 |
| Other income | 2,897,421 | 1,032,134 | 6,152,176 | 4,590 | 4,944,479 | 42,419 | 335,731 | 52,001 | 15,460,951 |
| Obligatory reserve funds | 471,536 | 37,313 | 981,668 | - | 5,622,235 | - | 189,231 | - | 7,301,983 |
| | 11,602,572 | 5,691,660 | 13,193,833 | 2,234,697 | 20,282,751 | 93,942 | 5,554,098 | 2,546,480 | 61,200,033 |
| Expenses | | | | | | | | | |
| Salaries and benefits | 3,645,077 | 3,812,108 | 2,262,478 | 584,881 | 2,186,841 | 39,268 | 2,903,094 | 2,203,381 | 17,637,128 |
| Interest on long-term liabilities | 89,692 | 15,168 | - | 25,642 | 33,706 | - | 12,881 | - | 177,089 |
| Materials and supplies | 720,309 | 317,767 | 1,558,913 | 246,802 | 1,726,500 | 26,098 | 885,507 | 162,173 | 5,644,069 |
| Contracted services | 3,199,971 | 3,199,663 | 645,702 | 1,552,819 | 351,330 | 4,388 | 220,300 | 262,733 | 9,436,906 |
| Other transfers | - | 503,009 | - | 4,704 | - | - | - | 59,619 | 567,332 |
| Rent and financials | 156,151 | 70,611 | 114,442 | 42,597 | 170,182 | 1,384 | 178,729 | 26,059 | 760,155 |
| Accretion expense | - | - | 2,654 | 450,374 | 15,450 | 542 | 3,138 | - | 472,158 |
| Amortization of tangible capital assets | 794,192 | 280,539 | 2,861,803 | 474,966 | 3,003,404 | 1,452 | 694,939 | 1,445 | 8,112,740 |
| | 8,605,392 | 8,198,865 | 7,445,992 | 3,382,785 | 7,487,413 | 73,132 | 4,898,588 | 2,715,410 | 42,807,577 |
| Total annual surplus (deficit) | \$ 2,997,180 | \$ (2,507,205) | \$ 5,747,841 | \$ (1,148,088) | \$ 12,795,338 | \$ 20,810 | \$ 655,510 | \$ (168,930) | \$ 18,392,456 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to Consolidated Financial Statements

Year ended December 31, 2023

19. Segmented information (continued)

| 2022 Restated (Note 2.a) | General government | Protection services | Transportation services | Waste management | Water and wastewater | Health services | Recreation and culture services | Planning and development | Total |
|---|-----------------------|------------------------|----------------------------|---------------------|-------------------------|--------------------|---------------------------------------|-----------------------------|---------------|
| Revenue | | | | | | | | | |
| Taxation | \$ 4,598,740 | \$ 4,196,335 | \$ 4,787,384 | \$ 1,649,674 | \$ - | \$ 39,820 | \$ 2,716,019 | \$ 1,459,803 | \$ 19,447,775 |
| Fees and user charges | 141,188 | 492,243 | 264,085 | 561,279 | 8,142,377 | 12,314 | 1,075,170 | 1,320,187 | 12,008,843 |
| Grants | 312,900 | 466,938 | 2,760,166 | 364,276 | - | 2,709 | 1,098,588 | 104,515 | 5,110,092 |
| Other income | 1,399,881 | 1,450,842 | 6,265,816 | 4,583 | 5,658,062 | 26,918 | 330,298 | 16,079 | 15,152,479 |
| Obligatory reserve funds | 620,844 | 75,643 | 1,784,683 | 7,193 | 1,574,333 | - | 83,148 | - | 4,145,844 |
| | 7,073,553 | 6,682,001 | 15,862,134 | 2,587,005 | 15,374,772 | 81,761 | 5,303,223 | 2,900,584 | 55,865,033 |
| Expenses | | | | | | | | | |
| Salaries and benefits | 3,451,304 | 3,763,494 | 2,400,950 | 603,722 | 2,165,554 | 36,513 | 2,871,532 | 1,956,588 | 17,249,657 |
| Interest on long-term liabilities | 97,247 | 15,942 | - | 26,721 | 37,974 | - | 14,191 | - | 192,075 |
| Materials and supplies | 820,223 | 318,275 | 1,630,619 | 214,488 | 1,760,492 | 16,369 | 788,002 | 149,923 | 5,698,391 |
| Contracted services | 2,130,639 | 3,056,530 | 704,623 | 1,401,417 | 326,360 | 8,196 | 218,473 | 373,537 | 8,219,775 |
| Other transfers | - | 469,384 | 6,199 | - | - | - | - | 31,312 | 506,895 |
| Rent and financials | 97,316 | 42,743 | 94,672 | 40,492 | 249,574 | 494 | 147,224 | 55,958 | 728,473 |
| Accretion expense | - | - | 2,571 | 436,374 | 14,970 | 525 | 3,041 | - | 457,481 |
| Amortization of tangible capital assets | 702,518 | 272,887 | 2,762,814 | 475,834 | 2,782,825 | 1,879 | 627,762 | 2,117 | 7,628,636 |
| | 7,299,247 | 7,939,255 | 7,602,448 | 3,199,048 | 7,337,749 | 63,976 | 4,670,225 | 2,569,435 | 40,681,383 |
| Total annual surplus (deficit) | \$ (225,694) | \$ (1,257,254) | \$ 8,259,686 | \$ (612,043) | \$ 8,037,023 | \$ 17,785 | \$ 632,998 | \$ 331,149 | \$ 15,183,650 |

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Notes to the Financial Statements

For the Year Ended December 31, 2023

20. Deferred revenue

| | Opening Balance | Contributions Received | Investment Income | Revenue Recognized | Other Transfers | Ending Balance |
|-----------------------------------|--------------------|---------------------------|----------------------|-----------------------|--------------------|-------------------|
| Obligatory reserve funds | | | | | | |
| Development charges | \$ 32,980,605 | \$ 8,808,237 | \$ 1,329,942 | \$ (7,301,983) | \$ (4,619,573) | \$ 31,197,228 |
| Recreational land | 138,670 | 70,000 | 6,768 | - | - | 215,438 |
| Parking revenues | 35,161 | - | 1,261 | - | - | 36,422 |
| Canada Community Building Fund | 290,220 | 232,486 | 12,489 | - | - | 535,195 |
| | 33,444,656 | 9,110,723 | 1,350,460 | (7,301,983) | (4,619,573) | 31,984,283 |
| Other | | | | | | |
| Grants and other | 2,193,209 | 4,142,428 | - | (3,234,458) | - | 3,101,179 |
| Short term accommodation | 434,623 | 262,067 | - | - | - | 696,690 |
| Harbour deposits | 38,780 | 5,850 | - | (6,230) | - | 38,400 |
| Developer contributions | 1,183,389 | 50,000 | - | - | - | 1,233,389 |
| Engineering fees | 415 | - | - | - | - | 415 |
| Other | 260,198 | 196,707 | - | (268,966) | - | 187,939 |
| BMAHC | 14,857 | - | - | - | - | 14,857 |
| | 4,125,471 | 4,657,052 | - | (3,509,654) | - | 5,272,869 |
| | \$ 37,570,127 | \$ 13,767,775 | \$ 1,350,460 | \$ (10,811,637) | \$ (4,619,573) | \$ 37,257,152 |

21. Comparative information

Certain comparative information has been reclassified from those previously presented to conform to the presentation in the current year.