

Consolidated Financial Statements of

**CORPORATION OF THE  
MUNICIPALITY OF  
MISSISSIPPI MILLS**

Year ended December 31, 2021

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Consolidated Financial Statements

Year ended December 31, 2021

---

Page

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

## **Independent Auditor's Report**

### Consolidated Financial Statements:

Consolidated Statement of Financial Position .....	1
Consolidated Statement of Operations and Accumulated Municipal Equity .....	2
Consolidated Statement of Changes in Net Financial Assets .....	3
Consolidated Statement of Cash Flows .....	4
Notes to Consolidated Financial Statements .....	5
Schedule 1: Continuity of Reserves and Reserve Funds.....	27

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

The accompanying consolidated financial statements of the Corporation of the Municipality of Mississippi Mills (the "Municipality") are the responsibility of the Municipality's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of significant accounting policies are described in note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

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

---

Ken Kelly  
Chief Administrative Officer

---

Andrew Hodge  
Deputy Treasurer



KPMG LLP  
22 Wilson Street, West  
Perth ON K7H 2M9  
Canada  
Tel 613-267-6580  
Fax 613-267-7563

## INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Municipality of Mississippi Mills

### ***Opinion***

We have audited the consolidated financial statements of the Corporation of the Municipality of Mississippi Mills (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2021
- the consolidated statement of operations and accumulated municipal equity for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of operations 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 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.



***Other Matter - Comparative Information***

The financial statements as at and for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 1, 2021.

***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.



Page 3

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.
- 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.

*KPMG LLP*

---

Chartered Professional Accountants, Licensed Public Accountants

Perth, Canada

December 6, 2022

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Consolidated Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets:		
Cash	\$ 25,883,832	\$ 20,839,012
Taxes receivable	1,563,216	1,535,639
User charges receivable	660,984	583,061
Accounts receivable	1,224,488	1,182,633
Land held for resale	18,682	18,682
Long-term receivables	4,358	7,534
Investment in Ottawa River Power Corporation (note 5(a))	2,446,626	2,410,052
Investment in Ottawa River Energy Solutions Inc. (note 5(b))	342,269	332,372
Investment in Mississippi River Power Corporation (note 5(c))	4,584,279	4,761,392
	36,728,734	31,670,377
Financial liabilities:		
Accounts payable and accrued liabilities	2,347,111	2,331,601
Prepaid property taxes	1,499,838	1,341,311
Accrued landfill closure and post closure (note 12)	861,179	861,179
Deferred revenue	978,846	1,444,034
Obligatory reserve funds (note 4)	5,387,033	4,602,490
Long-term liabilities (note 6)	23,373,050	21,088,860
	34,447,057	31,669,475
Net financial assets	2,281,677	902
Non-financial assets:		
Tangible capital assets (note 13)	84,196,365	79,293,663
Inventory	105,502	73,099
Prepaid expenses	54,757	-
	84,356,624	79,366,762
Commitments (note 10)		
Contingent liabilities (note 11)		
Accumulated municipal equity (note 7)	\$ 86,638,301	\$ 79,367,664

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

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Consolidated Statement of Operations and Accumulated Municipal Equity

Year ended December 31, 2021, with comparative information for 2020

	Budget 2021 (note 15)	2021	2020
<b>Revenue:</b>			
Taxation - residential	\$ 11,926,754	\$ 12,021,871	\$ 11,263,781
Taxation - garbage collection charge	1,674,955	1,615,320	1,470,520
User charges - sewer and water	5,967,955	5,761,907	5,132,256
Government transfers	3,287,125	3,285,993	2,634,691
Other municipal government transfers	658,863	1,246,902	1,210,524
Licenses and permits	609,294	643,727	703,754
Development charges	1,865,541	1,248,422	769,807
Investment income	135,000	102,333	183,819
Penalties and interest on taxes	245,000	196,855	183,893
Other income	399,315	333,340	518,935
Contributed tangible capital assets	-	1,753,448	2,184,523
Gain on disposal of tangible capital assets	93,885	341,966	-
Net equity increase in investment in:			
Ottawa River Power Corporation	-	66,541	74,852
Ottawa River Energy Solutions Inc.	-	9,897	9,508
Mississippi River Power Corporation	-	1,047,887	586,274
<b>Total revenue</b>	<b>26,863,687</b>	<b>29,676,409</b>	<b>26,927,137</b>
<b>Expenses (note 14):</b>			
General government	2,918,552	1,931,304	1,973,444
Protection to persons and property	4,176,585	3,980,485	3,553,268
Transportation services	5,313,140	4,487,483	4,704,541
Environmental services	6,997,590	6,030,570	5,882,750
Social and family services	2,530,627	2,392,668	1,850,181
Recreation and culture services	3,459,947	2,804,650	2,930,660
Planning and development	685,084	778,612	576,694
<b>Total expenses</b>	<b>26,081,525</b>	<b>22,405,772</b>	<b>21,471,538</b>
<b>Annual surplus</b>	<b>782,162</b>	<b>7,270,637</b>	<b>5,455,599</b>
<b>Accumulated municipal equity, beginning of year</b>	<b>79,367,664</b>	<b>79,367,664</b>	<b>73,912,065</b>
<b>Accumulated municipal equity, end of year</b>	<b>\$ 80,149,826</b>	<b>\$ 86,638,301</b>	<b>\$ 79,367,664</b>

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



# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

## Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020

	Budget 2021 (note 15)	2021	2020
Annual surplus	\$ 782,162	\$ 7,270,637	\$ 5,455,599
Amortization of tangible capital assets	3,742,244	3,483,296	3,620,704
Acquisition of tangible capital assets	(9,286,948)	(8,595,792)	(4,853,436)
Gain on disposal of tangible capital assets	-	(341,966)	-
Proceeds on disposal of tangible capital assets	-	551,760	104,343
Acquisition of inventory	-	(32,403)	(15,192)
Acquisition of prepaid expenses	-	(54,757)	-
<b>Change in net financial assets</b>	<b>(4,762,542)</b>	<b>2,280,775</b>	<b>4,312,018</b>
Net financial assets (debt), beginning of year	902	902	(4,311,116)
<b>Net financial assets (debt), end of year</b>	<b>\$ (4,761,640)</b>	<b>\$ 2,281,677</b>	<b>\$ 902</b>

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

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

## Consolidated Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
<b>Operating activities:</b>		
Annual surplus	\$ 7,270,637	\$ 5,455,599
Item not involving cash:		
Amortization of tangible capital assets	3,483,296	3,620,704
Accrued landfill closure and post closure	-	15,000
Gain on disposal of tangible capital assets	(341,966)	-
Change in non-cash operating working capital:		
Taxes receivable	(27,577)	115,228
User charges receivable	(77,923)	(30,264)
Accounts receivable	(41,855)	83,950
Land held for resale	-	4,541
Accounts payable and accrued liabilities	15,510	(519,046)
Prepaid property taxes	158,527	21,180
Deferred revenue	(465,188)	466,847
Obligatory reserve funds	784,543	964,589
Inventory	(32,403)	(15,192)
Prepaid expenses	(54,757)	-
Long-term receivables	3,176	3,995
<b>Net change in cash from operations</b>	<b>10,674,020</b>	<b>10,187,131</b>
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(8,595,792)	(4,853,436)
Proceeds of disposal of tangible capital assets	551,760	104,343
	<b>(8,044,032)</b>	<b>(4,749,093)</b>
<b>Investing activities:</b>		
Increase in investment in Ottawa River Power Corporation	(36,574)	(74,852)
Increase in investment in Ottawa River Energy Solutions Inc.	(9,897)	(9,508)
Decrease (increase) in investment in Mississippi River Power Corporation	177,113	(361,274)
	<b>130,642</b>	<b>(445,634)</b>
<b>Financing activities:</b>		
Proceeds on acquisition of long-term liabilities	3,717,250	3,070,500
Principal repayments on long-term liabilities	(1,433,060)	(1,348,270)
	<b>2,284,190</b>	<b>1,722,230</b>
<b>Increase in cash</b>	<b>5,044,820</b>	<b>6,714,634</b>
Cash, beginning of year	20,839,012	14,124,378
<b>Cash, end of year</b>	<b>\$ 25,883,832</b>	<b>\$ 20,839,012</b>

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

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements

Year ended December 31, 2021

---

The Municipality of Mississippi Mills (the "Municipality") was incorporated January 1, 1998 (being an amalgamation of the former Town of Almonte and Townships of Ramsay and Pakenham) and assumed its responsibilities under the authority of the Minister of Municipal Affairs and the Municipal Act. The Municipality operates as a lower tier government in the County of Lanark, in the Province of Ontario, Canada and provides municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations.

## 1. Significant accounting policies:

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

### (a) Basis of consolidation:

#### (i) Consolidated entities:

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

#### Public Library Board

The Ottawa River Power Corporation, Mississippi River Power Corporation and the Ottawa River Energy Solutions Inc. are accounted for on a modified equity basis, consistent with Canadian generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprises accounting principles are not adjusted to conform with those of the Municipality and inter-organizational transactions and balances are not eliminated.

#### (ii) 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 the municipal fund balances of these consolidated financial statements.

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

---

## 1. Significant accounting policies (continued):

### (b) Basis of accounting:

- (i) The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.
- (ii) Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net financial assets for the year.

### (c) Taxation and related revenues:

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

### (d) Tangible capital assets:

Tangible capital assets are recorded at historical cost or where historical cost records were not available, other methods determined to provide a best estimate of historical cost and accumulated amortization of the assets. In certain cases, the Municipality used replacement costs and appropriate indices to deflate the replacement cost to an estimated historical cost at the year of acquisition. Costs include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

---

## 1. Significant accounting policies (continued):

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

The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Landfill sites	5
Buildings	10 to 40
Vehicles	5 to 20
Equipment	10 to 20
Water and Sewer	
Linear Assets	50 to 80
Water tower, wells, lagoons, pumping stations	15 to 40
Linear Assets	
Roads	12 to 40
Sidewalks and curbs	50
Bridges and culverts	50 to 80

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other asset as of the date of transfer.

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

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

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

---

## 1. Significant accounting policies (continued):

### (e) Leases:

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

### (f) Inventory:

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

### (g) Pension and employee benefits:

The Municipality accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

Employee benefits include vacation entitlement and sick leave benefits. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits are accrued in accordance with the Municipality's policy.

### (h) Government transfers:

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

### (i) Deferred revenue:

The Municipality defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. Government transfers of gas taxes, development charges collected under the Development Charges Act, 1997, and recreational land collected under the Planning Act are reported as deferred revenues in the consolidated statement of financial position. These amounts will be recognized as revenue in the fiscal year the services are performed.

The Municipality receives restricted contributions under the authority of Federal and Provincial legislation and Municipality by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

---

## 1. Significant accounting policies (continued):

### (j) Landfill closure and post-closure liabilities:

The Municipality accrues landfill closure and post-closure care requirements that have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a twenty-five-year period using the best information available to management.

Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

### (k) Liability for contaminated sites:

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

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

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

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

---

## 1. Significant accounting policies (continued):

### (l) Use of estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

## 2. Operations of County of Lanark and school boards:

During the year, the Municipality collected and made property tax transfers including payments in lieu of property taxes, to the County of Lanark and School Boards as follows:

		School Board		County of Lanark
	2021	2020	2021	2020
Property taxes	\$ 3,904,287	\$ 4,152,304	\$ 8,249,819	\$ 7,911,834
Taxation from other governments	1,895	1,896	64,884	68,287
Amounts requisitioned and paid	\$ 3,906,182	\$ 4,154,200	\$ 8,314,703	\$ 7,980,121

## 3. Bank indebtedness:

The Municipality's financial agreement with its bank provides for an operating credit facility of up to \$1,000,000 to finance expenses, pending receipt of property taxes and other income. Interest on funds drawn is charged at the lender's prime rate. As at December 31, 2021, there was \$Nil (2020 - \$Nil) drawn on the facility.



# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

#### 4. Obligatory reserve funds:

A requirement of public sector accounting standards of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as a liability on the Consolidated Statement of Financial Position. This requirement is in place as Provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The transactions for the year are summarized below:

	Development charges	Parkland	Infrastructure funding	Total
January 1, 2021	\$ 4,101,373	\$ 2,001	\$ 499,116	\$ 4,602,490
Government grants	–	–	402,708	402,708
Contributions from developers	2,090,806	–	–	2,090,806
Interest income	38,567	–	–	38,567
Transfer for capital projects	(854,405)	–	–	(854,405)
Transfer to operating fund	(394,017)	–	(499,116)	(893,133)
December 31, 2021	\$ 4,982,324	\$ 2,001	\$ 402,708	\$ 5,387,033

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 5. Investment in Ottawa River Power Corporation, Ottawa River Energy Solutions Inc., and Mississippi River Power Corporation (government business enterprises):

Ottawa River Power Corporation ("ORPC") (15.94%), Ottawa River Energy Solutions Inc. ("OES") (15.94%), and the Mississippi River Power Corporation ("MRPC") (100.00%) are government business enterprises in which the Municipality owns the percentage interest as noted.

The principal business of ORPC is to distribute electric power to the Municipality of Mississippi Mills Almonte Ward (and other communities) and manage the electric distribution system. Ottawa River Energy Solutions Inc. is a retailer of electricity related activities for the residents of Mississippi Mills Almonte Ward. MRPC's principal business is the generation of electric power for the benefit of the Municipality.

The following tables provide condensed supplementary financial information setting out the Municipality's proportionate share for the three entities for the year ended December 31:

### (a) Ottawa River Power Corporation (15.94%)

	2021	2020
<b>Financial Position</b>		
Current assets	\$ 1,870,243	\$ 1,533,912
Capital assets	2,331,454	2,244,911
Future income taxes	77,855	110,623
	<u>4,279,552</u>	<u>3,889,446</u>
Current liabilities	1,570,018	1,216,653
Long-term debt	262,908	262,741
	<u>1,832,926</u>	<u>1,479,394</u>
<b>Net assets</b>	<b>\$ 2,446,626</b>	<b>\$ 2,410,052</b>

	2021	2020
<b>Results of Operations</b>		
Revenue	\$ 1,053,486	\$ 826,069
Operating expenses	986,945	751,217
<b>Net earnings</b>	<b>\$ 66,541</b>	<b>\$ 74,852</b>

During the year, the Municipality received dividends of \$29,967 (2020 - \$Nil) which is included as a component of other income on the Consolidated Statement of Operations.

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 5. Investment in Ottawa River Power Corporation, Ottawa River Energy Solutions Inc., and Mississippi River Power Corporation (government business enterprises) (continued):

(b) Ottawa River Energy Solutions Inc. (15.94%)

	2021	2020
<b>Financial Position</b>		
Current assets	\$ 165,440	\$ 143,735
Capital assets	232,862	224,270
	398,302	368,005
Current liabilities	53,219	32,819
Long-term debt	2,814	2,814
	56,033	35,633
Net assets	\$ 342,269	\$ 332,372

	2021	2020
<b>Results of Operations</b>		
Revenue	\$ 271,143	\$ 176,641
Operating expenses	261,246	167,133
Net earnings	\$ 9,897	\$ 9,508

During the year, the Municipality received dividends of \$Nil (2020 - \$Nil) which is included as a component of other income on the Consolidated Statement of Operations.

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 5. Investment in Ottawa River Power Corporation, Ottawa River Energy Solutions Inc., and Mississippi River Power Corporation (government business enterprises) (continued):

(c) Mississippi River Power Corporation (100.00%)

	2021	2020
<b>Financial Position</b>		
Current assets	\$ 3,586,706	\$ 3,818,871
Capital assets	17,722,812	18,337,052
	21,309,518	22,155,923
Current liabilities	1,048,650	1,952,035
Long-term debt (excluding Municipality debt)	15,676,589	15,442,496
	16,725,239	17,394,531
Net assets	\$ 4,584,279	\$ 4,761,392

	2021	2020
<b>Results of Operations</b>		
Revenue	\$ 3,957,486	\$ 3,062,511
Operating expenses	2,909,599	2,476,237
Net earnings	\$ 1,047,887	\$ 586,274

During the year, the Municipality received dividends of \$225,000 (2020 - \$225,000) which is included as a component of other income on the Consolidated Statement of Operations.

During the year, \$1,000,000 of Municipality debt was repaid (2020 - \$Nil), which is included as a reduction of the Investment in Mississippi River Power Corporation on the Consolidated Statement of Financial Position.

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 6. Long-term liabilities:

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

	2021	2020
Ontario Infrastructure Projects Corporation (2 projects) (4.63% and 4.13%), with semi annual blended payments of \$41,628 and \$230,273, maturing 2022 and 2044.	\$ 6,746,994	\$ 7,018,048
Fixed rate bank loans with maturity dates between 2022 and 2034 and interest rates between 2.61% and 5.40%.	16,621,698	14,063,278
Instalment debentures with the Province of Ontario under the Ontario Tile Loan Program. The responsibility for payment of principal and interest charges for tile drainage and shoreline property assistance loans has been assumed by individuals.	4,358	7,534
	<b>\$ 23,373,050</b>	<b>\$ 21,088,860</b>

- (b) Principal payments are due as follows:

	General revenue	User charges	Total
2022	\$ 1,186,839	\$ 415,643	\$ 1,602,482
2023	1,046,455	425,455	1,471,910
2024	1,387,205	439,506	1,826,711
2025	916,564	452,424	1,368,988
2026	1,410,225	464,669	1,874,894
2027 and thereafter	5,673,167	9,554,898	15,228,065
	<b>\$ 11,620,455</b>	<b>\$ 11,752,595</b>	<b>\$ 23,373,050</b>

- (c) Interest expense on long term liabilities in 2021 amounted to \$660,130 (2020 - \$734,699).
- (d) These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (e) Long-term liabilities which have matured subsequent to year-end have been renegotiated.

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 7. Accumulated municipal equity:

	2021	2020
Investment in tangible capital assets:		
Tangible capital assets	\$ 84,196,365	\$ 79,293,663
Long-term liabilities, excluding tile loan program debt	(23,368,692)	(21,081,326)
	60,827,673	58,212,337
Unfinanced capital projects:		
Economic development	–	(14,229)
Parks and recreation	–	(81,026)
Public works projects	–	(318,929)
Water and sewer projects	–	(971,850)
	–	(1,386,034)
Reserves (Schedule 1)	18,437,454	15,037,545
Equity in government business enterprises:		
Ottawa River Power Corporation	2,446,626	2,410,052
Ottawa River Energy Solution Inc.	342,269	332,372
Mississippi River Power Corporation	4,584,279	4,761,392
	7,373,174	7,503,816
<b>Total accumulated municipal equity</b>	<b>\$ 86,638,301</b>	<b>\$ 79,367,664</b>

## 8. Pension contributions:

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

The last available report was at December 31, 2021 and at that time the plan reported a \$3.1 billion actuarial deficit (2020 - \$3.2 billion actuarial deficit).

The amount contributed to OMERS was \$413,074 (2020 - \$428,695) for current services and is included as an expense on the Consolidated Statement of Operations and Accumulated Municipal Equity classified under the appropriate functional expense.

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

---

## 9. Provincial Offences Administration (POA):

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

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

The Municipality's share of net revenues arising from operation of the POA office have been consolidated with these financial statements. The revenue of the court office consists of fines levied under Parts I and III (including delay penalties) for POA charges filed in the Perth court.

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

## 10. Commitments:

- (a) In November 2017, the Municipality entered into a contract with OCWA (Ontario Clean Water Agency). For the management and operations of the water plant, wastewater plant and the sanitary pumping station. The contract is for the period January 1, 2018 to December 31, 2024 and provides for a four-year extension to December 31, 2028.

The contract is a fixed price contract that provides for an annual inflation increase of 1.85%. The contract provides for the reconciliation of hydro costs on an annual basis. The annual cost of the contract was \$1,454,005 (2020 - \$1,477,236).

- (b) There is no contract for policing services. The Municipality is provided police services by the Ontario Provincial Police under Section 5.1 of the Police Services Act. The annual charges are determined based on the level of service and are reconciled to actual costs in the following year. The amount paid in 2021 for police service usage was \$1,943,148 (2020 - \$1,932,708).

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

---

## 10. Commitments (continued):

- (c) The Municipality has negotiated an 8-year contract with Waste Management Canada Corporation for the collection of curbside garbage. The contract runs from June 1, 2021 to May 31, 2022. Annual charges are determined by reference to the Municipality's number of households, the consumer price index and a fuel surcharge clause. The contract for 2021 was \$834,774 (2020 - \$576,499). Subsequent to year-end, the Municipality entered into a new 7-year contract, expiring May 31, 2029.
- (d) The Municipality has negotiated a long-term contract with Emterra Environmental Inc. (previously GLF Environmental) for the collection, processing and marketing of recycled materials collected at curbside. The contract is for the period June 2020 to December 2022 with an option for three - one-year extensions. Annual charges are determined based on the number of households in the community, the consumer price index and a fuel surcharge clause. The contract for 2021 was \$633,591 (2020 - \$324,994).
- (e) The Municipality has entered into a construction contract in the amount of \$7,230,000 related to the Downtown Core Infrastructure Renewal Project. The project is expected to commence in fiscal 2022 with an anticipated completion date of July 2023.

## 11. Contingent liabilities:

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2021, management believes that the Municipality has valid defences and appropriate insurance coverages in place.

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

## 12. Landfill closure and post-closure liability:

The Environment Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites and is in accordance with the Municipality's accounting policy. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

The Municipality currently has one active and two inactive landfill sites. The Almonte site is licensed, and accepts approximately 100 tonnes of waste per year. At current disposal rates, the site has an estimated lifespan of 30 years. Estimated closure costs are \$833,000. The anticipated closure plan involves a layer of sand followed by a layer of clay and soil. Annual post closure maintenance and monitoring requirements are estimated to be \$47,312 per annum.



# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

---

## **12. Landfill closure and post-closure liability (continued):**

The Pakenham site was closed in 1990 and involved covering the site with a clay cap and vegetative cover. Additional buffer lands were also purchased at the time of closing. Annual site monitoring costs are estimated at \$10,000 per annum.

The Ramsay site was closed in 1996 with a layer of cover material of a mixture of sand, silt stone and some clay. Annual site monitoring costs are estimated at \$10,000 per annum.

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a twenty-five-year period from the anticipated closure dates using the best information available to management. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

Estimated total expenses represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the Municipality's average long-term borrowing rate of 6.27% and using an assumed rate of 3.27% for inflation. The estimated total landfill closure and post-closure care expenses are calculated to be approximately \$1,173,895 (2020 - \$1,505,000). For sites that are inactive, the estimated liability for these expenses is recognized immediately. Included in liabilities on the Consolidated Statement of Financial Position at December 31, 2021 is an amount of \$861,179 (2020 - \$861,179) with respect to landfill closure and post-closure liabilities recognized to date.

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 13. Tangible capital assets:

Cost	Balance at December 31, 2020	Transfers and additions	Disposals and adjustments	Balance at December 31, 2021
Land	\$ 329,645	\$ -	\$ (1,800)	\$ 327,845
Landfill sites	112,423	-	-	112,423
Buildings	18,726,261	-	(67,152)	18,659,109
Vehicles	6,840,713	555,500	-	7,396,213
Equipment				
Parks	2,240,004	147,963	-	2,387,967
Streetlights and traffic lights	3,176,406	-	-	3,176,406
Other	4,516,410	152,982	-	4,669,392
Water and sewer facilities				
Linear assets	23,950,678	1,184,735	-	25,135,413
Water tower	1,701,978	-	-	1,701,978
Wells, lagoons, pumping stations	32,412,262	195,244	-	32,607,506
Linear assets				
Roads	19,598,276	1,398,689	-	20,996,965
Sidewalks and curbs	3,950,746	257,209	-	4,207,955
Bridges and culverts	7,479,377	792,654	-	8,272,031
Construction in progress	1,267,337	3,910,816	(176,939)	5,001,214
<b>Total</b>	<b>\$ 126,302,516</b>	<b>\$ 8,595,792</b>	<b>\$ (245,891)</b>	<b>\$ 134,652,417</b>

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 13. Tangible capital assets (continued):

Accumulated amortization	Balance at December 31, 2020	Amortization and adjustments	Transfers, and disposals	Balance at December 31, 2021
Land	\$ -	\$ -	\$ -	\$ -
Landfill sites	81,214	3,850	-	85,064
Buildings	8,449,878	457,056	(36,097)	8,870,837
Vehicles	3,315,696	341,196	-	3,656,892
Equipment				
Parks	1,000,114	98,754	-	1,098,868
Streetlights and traffic lights	2,224,832	45,770	-	2,270,602
Other	2,913,762	209,997	-	3,123,759
Water and sewer facilities				
Linear assets	6,455,581	372,158	-	6,827,739
Water tower	1,140,026	55,400	-	1,195,426
Wells, lagoons, pumping stations	8,312,887	805,764	-	9,118,651
Linear assets				
Roads	10,169,738	802,599	-	10,972,337
Sidewalks and curbs	1,573,428	98,997	-	1,672,425
Bridges and culverts	1,371,697	191,755	-	1,563,452
Construction in progress	-	-	-	-
<b>Total</b>	<b>\$ 47,008,853</b>	<b>\$ 3,483,296</b>	<b>\$ (36,097)</b>	<b>\$ 50,456,052</b>

	Net book value December 31, 2020	Net book value December 31, 2021
Land	\$ 329,645	\$ 327,845
Landfill sites	31,209	27,359
Buildings	10,276,383	9,788,272
Vehicles	3,525,017	3,739,321
Equipment		
Parks	1,239,890	1,289,099
Streetlights and traffic lights	951,574	905,804
Other	1,602,648	1,545,633
Water and sewer facilities		
Linear assets	17,495,097	18,307,674
Water tower	561,952	506,552
Wells, lagoons, pumping stations	24,099,375	23,488,855
Linear assets		
Roads	9,428,538	10,024,628
Sidewalks and curbs	2,377,318	2,535,530
Bridges and culverts	6,107,680	6,708,579
Construction in progress	1,267,337	5,001,214
<b>Total</b>	<b>\$ 79,293,663</b>	<b>\$ 84,196,365</b>

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

---

## **14. Segmented information:**

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

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

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

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1.

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 14. Segmented information (continued):

2021	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Water and Sewer Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total
<b>Revenue</b>									
Taxation	\$ 12,021,871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,021,871
Taxation garbage collection charges	-	-	-	1,615,320	-	-	-	-	1,615,320
User charges	39,851	81,621	9,430	26,773	4,091,758	1,045,108	301,985	165,381	5,761,907
Government transfers	1,800,080	16,196	1,281,633	134,940	-	-	52,585	559	3,285,993
Other Municipal governments	-	-	28,429	-	-	1,218,473	-	-	1,246,902
Licenses and permits	6,850	636,877	-	-	-	-	-	-	643,727
Development charges	8,527	39,240	84,754	-	722,601	23,100	370,200	-	1,248,422
Investment income	67,333	-	-	-	35,000	-	-	-	102,333
Penalties and interest on taxes	196,855	-	-	-	-	-	-	-	196,855
Other income	124,290	6,516	-	-	93,639	-	108,895	-	333,340
Gain on sale of tangible capital assets	518,905	-	-	-	(176,939)	-	-	-	341,966
Contributed tangible capital assets	-	-	607,823	-	1,145,625	-	-	-	1,753,448
Net equity increase:									
Ottawa River Power Corporation	33,270	-	-	-	33,271	-	-	-	66,541
Ottawa River Energy Solutions Inc.	4,949	-	-	-	4,948	-	-	-	9,897
Mississippi River Power Corporation	523,944	-	-	-	523,943	-	-	-	1,047,887
	15,346,725	780,450	2,012,069	1,777,033	6,473,846	2,286,681	833,665	165,940	29,676,409
<b>Expenses</b>									
Salaries and wages	955,317	1,049,867	1,099,337	46,690	356,710	2,129,337	1,262,130	242,248	7,141,636
Debenture interest	63,488	20,790	183,028	-	378,067	-	11,715	3,042	660,130
Materials and services	746,010	2,614,616	1,828,774	1,791,907	2,186,704	249,329	864,256	526,610	10,808,206
External transfers	-	87,149	-	-	-	-	225,356	-	312,505
Amortization	166,489	208,063	1,376,344	3,850	1,266,642	14,002	441,193	6,712	3,483,295
	1,931,304	3,980,485	4,487,483	1,842,447	4,188,123	2,392,668	2,804,650	778,612	22,405,772
Annual surplus (deficit)	\$ 13,415,421	\$ (3,200,035)	\$ (2,475,414)	\$ (65,414)	\$ 2,285,723	\$ (105,987)	\$ (1,970,985)	\$ (612,672)	\$ 7,270,637

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 14. Segmented information (continued):

2020	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Water and Sewer Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total
<b>Revenue</b>									
Taxation	\$ 11,263,781	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,263,781
Taxation garbage collection charges	-	-	-	1,470,520	-	-	-	-	1,470,520
User charges	25,661	34,148	6,425	17,205	3,768,250	638,171	370,542	271,854	5,132,256
Government transfers	1,378,478	35,183	1,000,930	183,522	-	-	36,074	504	2,634,691
Other Municipal governments	-	-	27,974	-	-	1,182,550	-	-	1,210,524
Licenses and permits	7,250	696,504	-	-	-	-	-	-	703,754
Development charges	-	95,870	92,634	-	327,218	15,460	238,625	-	769,807
Investment income	152,332	-	-	-	31,487	-	-	-	183,819
Penalties and interest on taxes	183,893	-	-	-	-	-	-	-	183,893
Other income	144,405	7,314	-	-	111,893	-	67,441	25,453	356,506
Gain on sale of tangible capital assets	-	-	162,429	-	-	-	-	-	162,429
Contributed tangible capital assets	-	-	890,569	-	1,293,954	-	-	-	2,184,523
Net equity increase:									-
Ottawa River Power Corporation	32,186	-	-	-	42,666	-	-	-	74,852
Ottawa River Energy Solutions Inc.	4,088	-	-	-	5,420	-	-	-	9,508
Mississippi River Power Corporation	252,098	-	-	-	334,176	-	-	-	586,274
	13,444,172	869,019	2,180,961	1,671,247	5,915,064	1,836,181	712,682	297,811	26,927,137
<b>Expenses</b>									
Salaries and wages	1,026,236	971,649	1,199,116	59,507	329,847	1,640,500	1,184,935	310,531	6,722,321
Debenture interest	69,035	26,610	214,434	-	347,247	-	72,934	4,439	734,699
Materials and services	710,781	2,278,001	1,867,408	1,786,864	1,979,285	195,679	868,734	257,887	9,944,639
External transfers	-	82,596	-	-	-	-	366,579	-	449,175
Amortization	167,392	194,412	1,423,583	3,850	1,376,150	14,002	437,478	3,837	3,620,704
	1,973,444	3,553,268	4,704,541	1,850,221	4,032,529	1,850,181	2,930,660	576,694	21,471,538
Annual surplus (deficit)	\$ 11,470,728	\$ (2,684,249)	\$ (2,523,580)	\$ (178,974)	\$ 1,882,535	\$ (14,000)	\$ (2,217,978)	\$ (278,883)	\$ 5,455,599

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 15. Budget figures:

The 2021 budget amounts that were approved were not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Board Standards). The budget included capital items such as infrastructure replacements and estimated costs for constructed assets, as program expenses, but the actual expenses have been removed in the Consolidated Statement of Operations and Accumulated Municipal Equity. The revenue attributable to these items continue to be included in the Consolidated Statement of Operations and Accumulated Municipal Equity, resulting in a significant variance.

The following analysis is provided to assist readers in their understanding of differences between the approved budget and the audited consolidated financial statements:

	2021 Budget	2021 Actual
Total revenue	\$ 26,863,687	\$ 29,853,348
Total expenses	26,081,525	22,582,711
Net earnings	782,162	7,270,637
Amortization	3,742,244	3,483,296
Adjusted net earnings	4,524,406	10,753,933
Capital expenses	(9,286,948)	(8,595,792)
Gain on sale of tangible capital assets	–	(341,966)
Proceeds on disposal of tangible capital assets	–	551,760
Net change in investment in:		
Ottawa River Power Corporation	–	(36,574)
Ottawa River Energy Solutions Inc.	–	(9,897)
Mississippi River Power Corporation	–	177,113
Principal repayments	(1,437,309)	(1,433,060)
Net long-term debt acquired	3,718,640	3,717,250
Repayment of long-term receivable	3,176	3,176
Decrease in operating surplus	\$ (2,478,035)	\$ 4,785,943
Allocated as follows:		
Net transfers (from) to reserves	\$ (2,478,035)	\$ 3,399,909
Net decrease in unfinanced capital	–	1,386,034
	\$ (2,478,035)	\$ 4,785,943

# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

---

## **16. Impact of COVID-19 pandemic:**

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian, Ontario and municipal governments, enacting emergency measures to combat the spread of the virus. The pandemic has had significant operational and financial impacts as a result of social and market disruption.

The Municipality continues to experience impacts of the pandemic in the 2022 fiscal year.

Impacts have been mitigated by associated funding and other cost saving measures. The outcome and time frame for a recovery from the pandemic is unknown, and therefore it is not practicable to estimate and disclose its financial effect on future operations at this time.



# CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

## Schedule 1: Continuity of Reserves and Reserve Funds

Year ended December 31, 2021, with comparative information for 2020

	Budget (note 15)	2021	2020
Net transfers from (to) other funds			
Transfers from operations	\$ 1,079,445	\$ 5,365,420	\$ 3,959,826
Transfers to capital acquisitions	(3,557,480)	(1,965,511)	(641,348)
Total net transfers	(2,478,035)	3,399,909	3,318,478
Reserves and reserve fund balances, beginning of year	15,037,545	15,037,545	11,719,067
Reserves and reserve fund balances, end of year	\$ 12,559,510	\$ 18,437,454	\$ 15,037,545

### Composition of Reserves and Reserve Funds

	2021	2020
<b>Reserves set aside for specific purposes by Council:</b>		
For operating purposes:		
Working capital	\$ 1,100,000	\$ 1,100,000
Contingencies	541,993	527,429
Library	67,677	71,633
Winter control	97,620	97,620
Protection to persons and property	878,660	881,553
Planning and zoning	29,659	59,659
Economic development	115,383	132,708
Parking	55,738	55,738
Daycare	708,123	712,133
Former Township of Ramsay - general purposes	2,640	2,640
Former Township of Pakenham - general purposes	267	267
	3,597,760	3,641,380
For capital purposes:		
Acquisition of capital assets	6,977,326	3,949,766
Public works	571,452	1,193,966
Recreation	127,544	278,240
Fire	132,966	132,966
Waste management	1,085,899	1,263,899
Former Town of Almonte - water and sewer	5,588,215	4,248,181
Septic system	356,292	329,147
	14,839,694	11,396,165
<b>Total reserves and reserve funds</b>	<b>\$ 18,437,454</b>	<b>\$ 15,037,545</b>