

**The Corporation of the
Town of Rainy River
Consolidated Financial Statements
For the year ended December 31, 2023**

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The Corporation of the Town of Rainy River Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the Town of Rainy River and all the information in the consolidated financial statements are the responsibility of management and have been approved by the Mayor and CAO/Clerk-Treasurer on behalf of Council.

The consolidated financial statements have been prepared by management in accordance with Public Sector Accounting Principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Town maintains systems of internal accounting and administrative controls of high quality consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Town's assets are appropriately accounted for and adequately safeguarded.

The Town Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council reviews the Town's consolidated financial statements and meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by MNP LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. MNP LLP have full and free access to the Council.

_____ Mayor

_____ CAO/Clerk-Treasurer

To the Members of Council of The Corporation of the Town of Rainy River:

Opinion

We have audited the consolidated financial statements of The Corporation of the Town of Rainy River (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2023, and the results of its consolidated operations, its consolidated remeasurement gains and losses, changes in its net debt 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 Consolidated Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The consolidated financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on May 24, 2023.

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

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

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

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

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

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

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

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

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

Fort Frances, Ontario

April 14, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

The Corporation of the Town of Rainy River Consolidated Statement of Financial Position

December 31	2023	2022
		Restated (Note 1)
Financial assets		
Cash and cash equivalents	\$ 488,279	\$ 213,453
Portfolio investments (Note 2)	563,443	29,241
Taxes receivable (Note 3)	131,454	148,287
Accounts receivable	305,472	349,979
	1,488,648	740,960
Liabilities		
Bank indebtedness (Note 4)	-	211,005
Accounts payable and accrued liabilities	584,057	262,730
Deferred revenue (Note 5)	414,306	203,664
Net long-term debt (Note 6)	711,714	745,490
Asset retirement obligations (Note 7)	624,246	606,063
Future employee benefits (Note 8)	66,413	64,101
	2,400,736	2,093,053
Net debt	(912,088)	(1,352,093)
Non-financial assets		
Tangible capital assets (Note 9)	25,428,320	25,850,377
Tangible capital assets under construction	41,020	20,389
Inventory of supplies	22,282	22,034
Prepaid expenses	111,300	66,886
	25,602,922	25,959,686
Accumulated surplus (Note 10)	\$ 24,690,834	\$ 24,607,593

Contingent liabilities (Note 16)

Commitments (Note 21)

_____ Mayor

_____ CAO/Clerk-Treasurer

The Corporation of the Town of Rainy River Consolidated Statement of Operations

For the year ended December 31	Budget 2023	2023	2022
	(Note 19)		Restated (Note 1)
Revenue			
Taxation	\$ 926,050	\$ 855,804	\$ 851,509
Government transfers - Federal (Note 11)	508,414	532,971	565,592
Government transfers - Provincial (Note 12)	960,000	841,973	1,396,707
User fees and service charges	665,975	776,479	758,738
Investment income	2,000	15,192	102
Municipal grants	-	6,000	19,258
Other income (Note 13)	427,650	686,026	321,767
	<u>3,490,089</u>	<u>3,714,445</u>	<u>3,913,673</u>
Expenses			
General government	726,612	711,733	628,112
Protection services	310,052	298,344	276,440
Transportation services	993,041	879,044	882,428
Environmental services	1,113,598	883,118	857,527
Health services	160,174	162,736	155,776
Social and family services	9,587	39,643	21,297
Social housing	41,157	41,157	36,750
Recreation and cultural services	229,103	513,452	556,446
Planning and development	114,071	101,977	93,206
	<u>3,697,395</u>	<u>3,631,204</u>	<u>3,507,982</u>
Annual surplus (deficit)	<u>(207,306)</u>	<u>83,241</u>	<u>405,691</u>
Accumulated surplus, beginning of year, as previously stated	24,607,593	24,607,593	24,447,546
Change in accounting policy (Note 1)	-	-	(245,644)
Accumulated surplus, beginning of year restated	<u>24,607,593</u>	<u>24,607,593</u>	<u>24,201,902</u>
Accumulated surplus, end of year	<u>\$ 24,400,287</u>	<u>\$ 24,690,834</u>	<u>\$ 24,607,593</u>

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

**The Corporation of the Town of Rainy River
Consolidated Statement of Change in Net Financial Assets (Debt)**

For the year ended December 31	Budget 2023	2023	2022
	(Note 19)		Restated (Note 1)
Annual surplus (deficit)	\$ (207,306)	\$ 83,241	\$ 405,691
Acquisition of tangible capital assets	(788,229)	(623,955)	(4,606,594)
Amortization of tangible capital assets	1,300,000	1,046,012	1,154,422
Loss (gain) on disposal of tangible capital assets	-	(181,000)	2,958
Proceeds on sale of tangible capital assets	-	181,000	28,000
Completion (acquisition) of tangible capital assets under construction	-	(20,631)	1,883,558
	<u>304,465</u>	<u>484,667</u>	<u>(1,131,965)</u>
Use/consumption (acquisition) of inventory of supplies	-	(248)	1,185
Use/consumption (acquisition) of prepaid expenses	-	(44,414)	(22,002)
	<u>-</u>	<u>(44,662)</u>	<u>(20,817)</u>
Net change in net assets	304,465	440,005	(1,152,782)
Net financial assets (debt), beginning of year, as previously stated	(1,352,093)	(1,352,093)	342,528
Change in accounting policy (Note 1)	-	-	(541,839)
Net debt, beginning of year, restated	<u>(1,352,093)</u>	<u>(1,352,093)</u>	<u>(199,311)</u>
Net debt, end of year	\$ (1,047,628)	\$ (912,088)	\$ (1,352,093)

The Corporation of the Town of Rainy River Consolidated Statement of Cash Flows

For the year ended December 31	2023	2022
		Restated (Note 1)
Operating transactions		
Annual surplus	\$ 83,241	\$ 405,691
Items not involving cash		
Accretion of asset retirement obligations	18,183	17,652
Amortization of tangible capital assets	1,046,012	1,154,422
Gain on disposal of tangible capital assets	(181,000)	2,958
Changes in non-cash operating balances		
Taxes receivable	16,833	1,462
Accounts receivable	44,507	1,356,335
Prepaid expenses and inventory of supplies	(44,662)	(20,817)
Accounts payable and accrued liabilities	321,327	(793,597)
Deferred revenue	210,642	(126,379)
Asset Retirement obligations	-	3,271
Future employee benefits	2,312	7,603
	<u>1,517,395</u>	<u>2,008,601</u>
Capital transactions		
Acquisition of tangible capital assets	(623,955)	(4,606,594)
Proceeds on sale of tangible capital assets	181,000	28,000
Completion (acquisition) of tangible capital assets under construction	<u>(20,631)</u>	<u>1,883,558</u>
	<u>(463,586)</u>	<u>(2,695,036)</u>
Investing transactions		
Acquisition of portfolio investments	<u>(534,202)</u>	<u>(8,069)</u>
Financing transactions		
Repayment of long-term debt	(33,776)	(32,908)
Issuance of long-term debt	-	546,329
	<u>(33,776)</u>	<u>513,421</u>
Net change in cash and cash equivalents	485,831	(181,083)
Cash and cash equivalents (bank indebtedness), beginning of year	<u>2,448</u>	<u>183,531</u>
Cash and cash equivalents, end of year	<u>\$ 488,279</u>	<u>\$ 2,448</u>
Represented by		
Cash and cash equivalents	\$ 488,279	\$ 213,453
Bank indebtedness	-	(211,005)
	<u>\$ 488,279</u>	<u>\$ 2,448</u>

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

The Corporation of the Town of Rainy River Summary of Significant Accounting Policies

December 31, 2023

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

The consolidated financial statements of the Corporation of the Town of Rainy River are the responsibility of management. They have been prepared in accordance with Canadian accounting principles established by the Public Sector Accounting Board of CPA Canada.

Basis of Accounting

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

The consolidated statement of financial position reflects all of the financial assets and liabilities of the Municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. 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 excess of revenues over expenses, provides the change in net financial assets for the year. Accumulated surplus represents the financial position of the Municipality, and is the difference between its' assets and liabilities. This provides information about the Municipality's overall future revenue requirements and its' ability to finance activities and meet its' obligations.

Basis of Consolidation

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

The following board and municipal enterprise owned or controlled by Council has been consolidated:

Rainy River Recreation Board Inc.

The Corporation of the Town of Rainy River Summary of Significant Accounting Policies

December 31, 2023

Basis of Consolidation (continued)

A government partnership exists where the Municipality has shared control over the board or entity. The Municipality's pro-rata share of the assets, liabilities, revenues and expenditures are reflected in the consolidated financial statements using the proportionate consolidation method.

The Municipality has a 33.33% ownership in the following government partnership.

Rainy River Health Care Committee

The following boards are not consolidated:

Northwestern Health Unit
District of Rainy River Services Board

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and bank balances which are held for the purpose of meeting short-term cash commitments.

Inventory

Inventory of supplies is recorded at the lower of cost or net replacement value.

Tangible Capital Assets

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

Land improvements	40 to 60 years
Buildings	15 to 60 years
Machinery and equipment	10 to 20 years
Roads and bridges	10 to 80 years
Water infrastructure	30 to 80 years
Sewer infrastructure	30 to 80 years
Vehicles	15 to 20 years
Computer hardware and software	10 years

The Corporation of the Town of Rainy River Summary of Significant Accounting Policies

December 31, 2023

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

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

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

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

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

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

Use of Estimates The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

The estimates used in preparation of these consolidated financial statements are the useful lives of the tangible capital assets, the capacity of the landfill site, the useful lives of the landfill site, the post-closure costs of the landfill and taxation revenue.

The Corporation of the Town of Rainy River Summary of Significant Accounting Policies

December 31, 2023

Trust Funds	Trust funds held in trust by the Municipality, and their related operations, are not included in these consolidated financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.
Deferred Revenue	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized on the consolidated statement of operations in the year in which it is used for the specified purpose.
Revenue Recognition	<p>Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of allowance for anticipated uncollected amounts.</p> <p>User fees and other revenues are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.</p>
Government Transfers	Government transfers are recognized as revenue on the consolidated financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized on the statement of operations as the stipulation liabilities are settled.
School Boards	The Municipality collects taxation revenue on behalf of the school boards. The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated financial statements.

The Corporation of the Town of Rainy River Summary of Significant Accounting Policies

December 31, 2023

Pension Agreement

The Municipality is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Municipality records pension expense with contributions that are due.

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

The Corporation of the Town of Rainy River Notes to Consolidated Financial Statements

December 31, 2023

1. Change in Accounting Policy

Effective January 1, 2023 the Municipality adopted new Public Sector Accounting Handbook Standard, PS 3280 Asset Retirement Obligations. As a result of the adoption, the presentation of the financial statements changed from the prior year. The standard requires recognition of Asset Retirement Obligations when there is a legal obligation to incur retirement costs. This change in accounting policy has been applied using the modified retroactive application with restatement of prior periods. The impact of adoption of this standard was as follows:

	2022
Increase in tangible capital assets	\$ 293,567
Decrease in landfill liability	46,572
Increase in asset retirement obligations	(606,063)
Increase in General government expenses	786
Increase in Environmental services expenses	19,494
Decrease in opening accumulated surplus	\$ (245,644)

The change in accounting policy resulted in increases in the previously reported General government and Environmental services expenses for the 2022 year of \$786 and \$19,494 respectively, and a corresponding decrease of \$20,280 in the previously reported annual surplus for the 2022 year.

2. Portfolio Investments

	2023	2022
Portfolio investments restricted by Council resolution - at cost or amortized cost:		
Investment savings account	\$ 2,977	\$ 2,975
Term deposits, 3.00% annual interest rate	-	22,994
Term deposits, 2.75% annual interest rate	25,000	-
Term deposits, 2.25% annual interest rate	23,683	-
Bond fund	3,100	3,272
	54,760	29,241
Other portfolio investments - at cost or amortized cost		
High interest savings account, variable interest rates ranging from 4.61% to 5.47% during the year	508,683	-
	\$ 563,443	\$ 29,241

Certain surplus funds are set aside by by-laws or Council resolution for specific purposes and referred to as reserve funds. Investments restricted by Council resolution represent the assets that are maintained in respect of those reserve funds (Note 10).

The Corporation of the Town of Rainy River Notes to Consolidated Financial Statements

December 31, 2023

3. Taxes Receivable

	2023	2022
Taxes receivable	\$ 174,777	\$ 151,999
Allowance for doubtful accounts	(43,323)	(3,712)
	\$ 131,454	\$ 148,287

4. Bank Indebtedness

Bank indebtedness consists of a credit facility with a Canadian Chartered Bank. The maximum authorized amount is \$300,000 and bears interest at the bank's prime rate plus 1.0%.

5. Deferred Revenue

	Opening balance	Contributions received	Externally restricted investment income	Revenue recognized	Ending balance
Federal gas tax	\$ -	\$ 53,414	\$ -	\$ (53,414)	\$ -
Infrastructure programs	-	286,115	-	(20,631)	265,484
Restricted donation	62,571	-	-	(262)	62,309
Other	141,093	34,970	-	(89,550)	86,513
	\$ 203,664	\$ 374,499	\$ -	\$ (163,857)	\$ 414,306

Federal Gas Tax

The Federal Government advances the Municipality funding related to gasoline tax. This funding must be spent on approved infrastructure projects. The funding can be deferred for a maximum of 5 years.

Infrastructure Programs

These programs relate to various capital grants that are required to be spent on infrastructure. Until the funding has been spent on infrastructure it has not been earned and therefore, has been deferred.

The Corporation of the Town of Rainy River Notes to Consolidated Financial Statements

December 31, 2023

6. Net Long-term Debt

Net long-term debt reported on the consolidated statement of financial position is comprised of the following:

	2023	2022
Ontario Infrastructure and Lands Corporation loan, debenture loan, 2.62%, blended semi-annual payments of \$18,863. Matures March 1, 2027.	\$ 125,385	\$ 159,161
Canada Emergency Business Account loan - \$60,000 loan with up to a 33% forgivable portion dependent on the full repayment of 67% by January 18, 2024. 0% interest up to January 18, 2024, with conversion to a 3-year 5% fixed interest term loan on January 19, 2024, requiring full repayment by December 31, 2026.	40,000	40,000
Ontario Infrastructure and Lands Corporation loan, debenture loan, 4.75%, interest payable monthly, with no set term for principal repayment. Matures July 15, 2042.	546,329	546,329
	\$ 711,714	\$ 745,490

Principal and interest repayments relating to net long-term debt of \$711,714 outstanding are due as follows:

	Principal Repayments	Interest	Total
2024	\$ 74,667	\$ 29,011	\$ 103,678
2025	35,581	28,096	63,677
2026	36,519	27,158	63,677
2027	18,618	26,195	44,813
2028	-	25,951	25,951
Thereafter	546,329	354,967	901,296
	\$ 711,714	\$ 491,378	\$ 1,203,092

The Corporation of the Town of Rainy River Notes to Consolidated Financial Statements

December 31, 2023

7. Asset Retirement Obligations

The Municipality's financial statements include asset retirement obligations for the closure and post closure costs of the Municipality's solid waste landfill, decommissioning costs of the Municipality's wastewater settling lagoons, and abatement of asbestos within certain properties owned by the Municipality. The related asset retirement costs are being amortized on a straight line basis.

The liability for the landfill has been estimated using a net present value technique with a discount rate of 3% (2022 - 3%). It is estimated that the liability will be settled in 189 years. The estimated total undiscounted future expenditures are \$63,787,994 (2022 - \$63,787,994), which are to be incurred over 25 years, with an estimated time frame from the year 2187 to the year 2212.

The liability for the lagoons has been estimated using a net present value technique with a discount rate of 3% (2022 - 3%). The estimated total undiscounted future expenditures are \$297,959 (2022 - \$297,959), which are to be incurred over the next 27 years. It is estimated that the liability will be settled in the December 31, 2050 year.

The liability for the abatement of asbestos has been estimated using a net present value technique with a discount rate of 3% (2022 - 3%). The estimated total undiscounted future expenditures are \$51,984 (2022 - \$51,984), which are to be incurred over the next 27 years. It is estimated that the liability will be settled in the December 31, 2050 year.

The carrying amount of the liabilities are as follows:

	Landfill	Lagoons	Asbestos	Total
Asset retirement obligation as at December 31, 2022	\$ 453,111	\$ 130,231	\$ 22,721	\$ 606,063
Increase due to accretion expense	<u>13,594</u>	<u>3,907</u>	<u>682</u>	<u>18,183</u>
Asset retirement obligation as at December 31, 2023	<u>\$ 466,705</u>	<u>\$ 134,138</u>	<u>\$ 23,403</u>	<u>\$ 624,246</u>

The Corporation of the Town of Rainy River Notes to Consolidated Financial Statements

December 31, 2023

8. Future Employee Benefits

	<u>2023</u>	<u>2022</u>
Pre-May 2006 accumulated sick leave	\$ 18,234	\$ 17,415
Post-May 2006 accumulated sick leave	6,073	6,689
Accumulated vacation payable	<u>42,106</u>	<u>39,997</u>
	<u>\$ 66,413</u>	<u>\$ 64,101</u>

A pre-May 2006 accumulated sick leave liability balance exists for employees who have been employed by the Municipality prior to May 2006 and had accumulated unused sick leave credits at that time. Any accumulated unused sick leave credits at May 2006 were frozen and are available to be used by eligible employees during their remaining years of employment with the Municipality or paid out at 50% of the accumulated balance upon termination or retirement. The value of the credits available to eligible employees is based on their current employment wage rates.

Subsequent to May 2006, employees are provided sick leave credits on an annual basis and any unused accumulated sick leave credits at year end are paid out in the following year at a rate of 50% of the accumulated unused credit balance.

Vacation entitlements are earned by employees in the current year and available for use in the following year.

**The Corporation of the Town of Rainy River
Notes to Consolidated Financial Statements**

December 31, 2023

9. Tangible Capital Assets

	2023								
	Land and land improvements	Buildings	Machinery and equipment	Roads and bridges	Water infrastructure	Sewer infrastructure	Vehicles	Computer hardware and software	Total
Cost, beginning of year	\$ 1,527,279	\$ 2,305,510	\$ 1,437,542	\$ 13,392,015	\$ 9,078,468	\$ 12,167,370	\$ 269,327	\$ 77,124	\$ 40,254,635
Additions	255,751	326,733	41,471	-	-	-	-	-	623,955
Disposals	-	-	-	-	-	-	-	-	-
Cost, end of year	1,783,030	2,632,243	1,479,013	13,392,015	9,078,468	12,167,370	269,327	77,124	40,878,590
Accumulated amortization, beginning of year	295,898	1,538,205	929,869	4,553,652	2,396,022	4,447,418	172,946	70,248	14,404,258
Amortization	32,417	55,143	68,829	488,529	165,146	220,897	11,867	3,184	1,046,012
Disposals	-	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	328,315	1,593,348	998,698	5,042,181	2,561,168	4,668,315	184,813	73,432	15,450,270
Net carrying amount, end of year	\$ 1,454,715	\$ 1,038,895	\$ 480,315	\$ 8,349,834	\$ 6,517,300	\$ 7,499,055	\$ 84,514	\$ 3,692	\$ 25,428,320

**The Corporation of the Town of Rainy River
Notes to Consolidated Financial Statements**

December 31, 2023

9. Tangible Capital Assets (continued)	2022								
	Land and land improvements	Buildings	Machinery and equipment	Roads and bridges	Water infrastructure	Sewer infrastructure	Vehicles	Computer hardware and software	Total
Cost, beginning of year	\$ 1,344,112	\$ 2,305,510	\$ 1,331,058	\$ 11,136,786	\$ 7,892,970	\$ 11,347,441	\$ 269,327	\$ 77,124	\$ 35,704,328
Additions	183,167	-	162,771	2,255,229	1,185,498	819,929	-	-	4,606,594
Disposals	-	-	(56,287)	-	-	-	-	-	(56,287)
Cost, end of year	1,527,279	2,305,510	1,437,542	13,392,015	9,078,468	12,167,370	269,327	77,124	40,254,635
Accumulated amortization, beginning of year	265,600	1,369,056	889,847	4,065,122	2,229,997	4,227,400	161,079	67,064	13,275,165
Amortization	30,298	169,149	65,351	488,530	166,025	220,018	11,867	3,184	1,154,422
Disposals	-	-	(25,329)	-	-	-	-	-	(25,329)
Accumulated amortization, end of year	295,898	1,538,205	929,869	4,553,652	2,396,022	4,447,418	172,946	70,248	14,404,258
Net carrying amount, end of year	\$ 1,231,381	\$ 767,305	\$ 507,673	\$ 8,838,363	\$ 6,682,446	\$ 7,719,952	\$ 96,381	\$ 6,876	\$ 25,850,377

The net book value of tangible capital assets not being amortized because they are under construction is \$41,020 (2022 - \$20,389). These items are recognized separately as tangible capital assets under construction on the consolidated statement of financial position.

The Corporation of the Town of Rainy River Notes to Consolidated Financial Statements

December 31, 2023

10. Accumulated Surplus

The Municipality segregates its accumulated surplus in the following categories:

	2023	2022
Investment in tangible capital assets		
Tangible capital assets	\$ 25,469,340	\$ 25,870,766
Long-term debt	(711,714)	(745,490)
	24,757,626	25,125,276
General operating	309,216	617,499
Water	(299,954)	(547,158)
Sewer	(421,726)	(454,804)
Recreation board	5,086	37,597
Cemetery	(21,910)	(29,659)
Library	30,887	31,277
Health Care Committee	(12,760)	(10,777)
Heritage Square Committee	5,987	4,984
	(405,174)	(351,041)
Other allocated deficits		
Asset retirement obligations	(624,246)	(606,063)
Employee future benefits	(66,413)	(64,101)
	(690,659)	(670,164)
Reserve funds		
Hydro sale	334,363	334,363
Water	3,402	3,402
Locum house	3,100	3,272
Library	51,660	25,969
Sick leave	21,817	21,817
Fire department	18,946	18,946
Health centre	7,945	7,945
	441,233	415,714
Working capital reserve	587,808	87,808
	\$ 24,690,834	\$ 24,607,593

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Reserve funds represent funds set aside by by-law or Council resolution for specific purposes. At December 31, 2023, the Municipality had \$54,760 (2022 - \$29,241) in investments restricted by Council resolution with respect to those reserve funds. As a result, there were \$386,473 (2022 - \$386,473) in unfunded reserve funds.

The Corporation of the Town of Rainy River Notes to Consolidated Financial Statements

December 31, 2023

11. Government Transfers - Federal

	2023	2022
Operating		
FedNor Economic Development	\$ 77,715	\$ 63,377
Other	26,842	69,450
Total operating transfers	104,557	132,827
Tangible capital assets		
Association of Municipalities of Ontario		
Federal Gas Tax Fund	53,414	51,188
FedNor - Canada Community Revitalization Fund	375,000	-
Investing in Canada Infrastructure Program - Canada	-	381,577
Total tangible capital asset transfers	428,414	432,765
Total federal transfers	\$ 532,971	\$ 565,592

12. Government Transfers - Provincial

	2023	2022
Operating		
Ontario Municipal Partnership Fund	\$ 631,000	\$ 631,000
Other	123,860	47,378
Total operating transfers	754,860	678,378
Tangible capital assets		
Ontario Community Infrastructure Fund	20,631	267,415
Investing in Canada Infrastructure Program - Ontario	-	317,949
Minister of Northern Development, Mines, Natural Resources and Forestry (NORDS)	66,482	132,965
Total tangible capital asset transfers	87,113	718,329
Total provincial transfers	\$ 841,973	\$ 1,396,707

The Corporation of the Town of Rainy River Notes to Consolidated Financial Statements

December 31, 2023

13. Other Income

	2023	2022
Penalties and interest on taxes	\$ 7,066	\$ 26,717
Licences and permits	319,492	11,450
Rents, concessions and franchises	84,626	65,590
Donations	40,906	171,455
Gain (loss) on disposal of tangible capital assets	181,000	(2,958)
Provincial offences	(292)	322
Other fines	12,165	11,233
Miscellaneous	41,063	37,958
	\$ 686,026	\$ 321,767

14. Expenses by Object

	2023	2022
Salaries, wages and employee benefits	\$ 986,301	\$ 983,665
Interest on long-term debt	29,899	13,162
Materials	714,468	585,208
Contracted services	388,581	359,150
Rent and financial expenses	306,049	274,561
Contributions to other organizations	159,894	137,814
Amortization	1,046,012	1,154,422
	\$ 3,631,204	\$ 3,507,982

15. Operations of School Boards

	2023	2022
During the year, the following taxation revenue was raised and remitted to the school boards	\$ 60,825	\$ 60,552

16. Contingent Liabilities

The Municipality has identified soil contamination on municipal property and retained a third party engineer to assess and remediate any soil impacted. While the engineer was able to excavate soil that was deemed contaminated, they were unable to completely assess the extent of the contamination due to infrastructure and natural features preventing an increase in the area or depth of the excavation and assessment. As a result of these limitations, the extent of the remaining contamination, if any, is undeterminable at this time and no liability for the future costs of remediation have been recognized. Should any loss result from future remediation, such loss will be charged to operations in the year of remediation. The property is still in productive use as at December 31, 2023.

The Corporation of the Town of Rainy River Notes to Consolidated Financial Statements

December 31, 2023

17. Contributions to Unconsolidated Boards

The following contributions were made by the Municipality to these boards:

	2023	2022
Northwestern Health Unit	\$ 39,564	\$ 39,473
District of Rainy River Services Board		
Ambulance service	48,475	47,588
General assistance	5,247	3,514
Child care	4,340	4,314
Social housing	41,157	36,750
	<u>\$ 138,783</u>	<u>\$ 131,639</u>

18. Pension Agreements

The employees of the Municipality participate in the Ontario Municipal Employees Retirement System (OMERS). The Municipality also makes contributions to the OMERS plan on behalf of its employees. The plan has a defined benefit option at retirement available to some employees, which specifies the amount of the retirement benefit plan to be received by the employees based on length of service and rates of pay. However, the plan is accounted for as a defined contributions plan as insufficient information is available to account for the plan as a defined benefit plan. The Municipality is only one of a number of employers that participate in the Plan and the financial information provided to the Municipality on the basis of the contractual agreements, is usually insufficient to reliably measure the Municipality's proportionate share in the plan assets and liabilities.

The contribution payable in exchange for services rendered during a period is recognized as an expense during that period. The Municipality's employer portion of amounts paid to OMERS during the year ended December 31, 2023, was \$61,512 (2022 - \$50,967).

As at December 31, 2023, the OMERS plan was 97% funded (December 31, 2022 - 95%) and reported an actuarial funding deficit of \$4.2 billion (2022 - \$6.7 billion). OMERS has a strategy to return the Plan to a fully funded position. The Municipality is not able to assess the implications, if any, of this strategy or of the withdrawal of other participating Entities from the OMERS plan on its future contributions.

The Corporation of the Town of Rainy River Notes to Consolidated Financial Statements

December 31, 2023

19. Budget

The Financial Plan (Budget) By-Law adopted by Council on June 19, 2023, was not prepared on a basis consistent with that used to report actual results (Canadian public sector accounting standards). The budget was prepared on a modified accrual basis while Canadian public sector accounting standards now require a full accrual basis. The budget figures are anticipated to use surpluses accumulated in previous years to reduce current year expenses in excess of current year revenues to \$NIL. In addition, the budget did not include amortization expense. As a result, the budget figures presented in the consolidated statements of operations and change in net financial assets represent the Financial Plan adopted by Council on June 19, 2023, with adjustments as follows:

	<u>2023</u>
Financial Plan (Budget) By-Law surplus (deficit) for the year	\$ 304,465
Add:	
Capital expenditures	788,229
Budgeted transfers to reserve funds	-
Less:	
Amortization	<u>(1,300,000)</u>
Budget deficit per consolidated statement of operations	<u>\$ (207,306)</u>

20. Trust Funds

The trust funds administered by the Municipality amounting to \$120,320 (2022 - \$117,462) have not been included on the consolidated statement of financial position nor have their operations been included on the consolidated statement of operations.

The Corporation of the Town of Rainy River Notes to Consolidated Financial Statements

December 31, 2023

21. Commitments

Locum Housing

The Municipality has entered into an agreement with two other municipalities to construct and maintain housing for locum doctors in the Town of Rainy River. In the event that insufficient grants, contributions, donations or fundraising proceeds are available to cover the costs of the construction and furnishings of the housing, the parties to the agreement have agreed to provide the necessary funds to complete the project by way of repayable loans, bearing interest at prime up to the maximum set by the committee.

Ornge Helipad

The Municipality has entered into an agreement with Ornge for the access and maintenance of the Helipad located in the Town of Rainy River. The Municipality has committed to provide ongoing maintenance and repair to the Helipad. Ornge has agreed to provide a fee of up to \$3,500 per fiscal year (April 1st to March 31st) to the Municipality in order to assist with the related costs.

The Corporation of the Town of Rainy River Notes to Consolidated Financial Statements

December 31, 2023

22. Government Partnership

On July 11, 2011, the Municipality entered into an agreement with three other communities to jointly construct and maintain housing for locum physicians and medical students. All revenues and costs related to the development and operations will be shared based on each community's financial contribution to the project. Upon entering into the agreement, each community made a \$25,000 refundable contribution leaving each community with a 25% proportional interest.

In September 2015, one of the member communities withdrew from the partnership and was refunded their original \$25,000 member contribution. For each of the remaining three member communities, the exit of this partner resulted in an increase in their proportionate interest of the partnership to 33.33%.

	2023		2022	
	Total	Municipality Portion	Total	Municipality Portion
Financial assets	\$ 56,560	\$ 18,853	\$ 52,845	\$ 17,615
Financial liabilities	85,540	28,513	75,360	25,120
Net financial debt	(28,980)	(9,660)	(22,515)	(7,505)
Non-financial assets	387,447	129,149	393,416	131,139
Accumulated surplus	\$ 358,467	\$ 119,489	\$ 370,901	\$ 123,634

	2023		2022	
	Total	Municipality Portion	Total	Municipality Portion
Revenue	\$ 16,390	\$ 5,463	\$ 16,429	\$ 5,476
Expenses	28,824	9,608	18,388	6,129
Annual deficit	(12,434)	(4,145)	(1,959)	(653)
Accumulated surplus, beginning of year	370,901	123,634	372,860	124,287
Accumulated surplus, end of year	\$ 358,467	\$ 119,489	\$ 370,901	\$ 123,634

The Corporation of the Town of Rainy River

Notes to Consolidated Financial Statements

December 31, 2023

23. Segmented Information

The Corporation of the Town of Rainy River is a diversified municipal government institution that provides a wide range of services to its citizens. The management of the Municipality considers decisions based on separate service areas. These service areas are: general government, protection services, transportation services, environmental services, health services, social and family services, social housing, recreation and cultural services and planning and development.

Descriptions of the services and funds that management bases their decisions on are as follows:

General Government

General government consists of governance, Corporate management and program support. These categories relate to operations of all of the various programs and services that the Municipality offers to its citizens.

Protection Services

Protection is comprised of police service and fire protection. Police service is contracted out to the Ontario Provincial Police. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education related to prevention, detection or extinguishments of fires. The members of the fire department consist of volunteers.

Transportation Services

The transportation services area provides construction and maintenance of the roadways throughout the Municipality.

Environmental Services

Environmental services consist of the management and maintenance of the sanitary sewer system, waterworks system and waste disposal facility located within the municipal borders.

Health Services

Health services are comprised of public health services and ambulance service. The Municipality contributes to local boards which provide these services to the citizens of the Municipality.

Social and Family Services

Social and family services are comprised of general assistance, child care and assistance to the aged. The Municipality contributes to local boards which provide these services to the citizens of the Municipality.

Social Housing

The Municipality contributes to a local board, which provides social housing if the citizens of the Corporation of the Town of Rainy River require the service.

Recreation and Cultural Services

This service area consists of the operation and maintenance of local parks, recreation facilities, cultural facilities and the Town library.

Planning and Development

These services relate to zoning issues as well as planning of various municipal maintenance projects.

The Corporation of the Town of Rainy River

Notes to Consolidated Financial Statements

December 31, 2023

23. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Family Services	Social and Community Services	Social Housing	Recreation and Cultural Services	Planning and Development	2023 Total
Revenue											
Taxation	\$ 203,091	\$ 105,663	\$ 174,054	\$ 243,483	\$ 73,703	\$ 3,113	\$ 45,049	\$ 2,112	\$ 5,536	\$ 855,804	
Fees and user charges	1,685	-	5,310	642,048	10,025	-	-	117,411	-	776,479	
Conditional grants	-	-	140,527	-	-	26,436	-	498,491	78,490	743,944	
Unconditional grants	149,743	77,907	128,333	179,525	54,343	2,295	33,216	1,557	4,081	631,000	
Municipal grants	-	-	-	-	-	-	-	6,000	-	6,000	
Other	166,407	86,577	142,614	199,502	60,390	2,550	36,912	1,730	4,536	701,218	
	520,926	270,147	590,838	1,264,558	198,461	34,394	115,177	627,301	92,643	3,714,445	
Expenses											
Wages and benefits	359,438	-	163,492	185,281	8,824	-	-	181,080	88,186	986,301	
Interest on long-term debt	25,949	-	-	3,950	-	-	-	-	-	29,899	
Materials	61,762	32,148	156,362	149,663	41,186	22,253	-	243,490	7,604	714,468	
Contracted services	14,710	259,480	22,670	86,457	-	-	-	-	5,264	388,581	
Rent and financial	239,868	-	-	27,721	11,164	7,803	-	19,493	-	306,049	
External transfers	1,760	-	-	-	94,039	9,587	41,157	13,351	-	159,894	
Amortization	8,246	6,716	536,520	430,046	7,523	-	-	56,038	923	1,046,012	
	711,733	298,344	879,044	883,118	162,736	39,643	41,157	513,452	101,977	3,631,204	
Net surplus (deficit)	\$ (190,807)	\$ (78,197)	\$ (288,206)	\$ 381,440	\$ 35,725	\$ (5,249)	\$ 74,020	\$ 113,849	\$ (9,334)	\$ 83,241	

The Corporation of the Town of Rainy River Notes to Consolidated Financial Statements

December 31, 2023

23. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Family Services	Social and Services	Social Housing	Recreation and Cultural Services	Planning and Development	2022 Total
Revenue											
Taxation	\$ 218,734	\$ 133,066	\$ -	\$ 204,583	\$ 103,607	\$ 2,813	\$ 74,547	\$ 106,876	\$ 7,283	\$ 851,509	
Fees and user charges	6,019	-	10,090	630,667	10,530	-	-	101,432	-	758,738	
Conditional grants	-	-	1,151,093	-	-	9,775	-	99,434	63,377	1,323,679	
Unconditional grants	164,047	99,798	-	153,435	77,704	2,110	55,909	80,155	5,462	638,620	
Municipal grants	-	-	-	-	-	-	-	19,258	-	19,258	
Other	82,681	50,299	-	77,333	39,162	1,063	28,179	40,400	2,752	321,869	
	471,481	283,163	1,161,183	1,066,018	231,003	15,761	158,635	447,555	78,874	3,913,673	
Expenses											
Wages and benefits	340,089	-	153,057	185,397	8,497	-	-	216,885	79,740	983,665	
Interest on long-term debt	8,344	-	-	4,818	-	-	-	-	-	13,162	
Materials	66,220	20,609	169,265	125,897	35,687	7,188	-	153,063	7,279	585,208	
Contracted services	14,175	249,115	24,255	66,182	159	-	-	-	5,264	359,150	
Rent and financial	190,863	-	-	47,996	10,849	6,281	-	18,572	-	274,561	
External transfers	175	-	-	-	93,061	7,828	36,750	-	-	137,814	
Amortization	8,246	6,716	535,851	427,237	7,523	-	-	167,926	923	1,154,472	
	628,112	276,440	882,428	857,527	155,776	21,297	36,750	556,446	93,206	3,507,982	
Net surplus (deficit)	\$ (156,631)	\$ 6,723	\$ 278,755	\$ 208,491	\$ 75,227	\$ (5,536)	\$ 121,885	\$ (108,891)	\$ (14,332)	\$ 405,691	

For each reported segment, revenues and expenditures 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. Taxation, payments-in-lieu of taxes, certain government grants and other revenue have been apportioned based on a percentage of budgeted expenditures.

To the Members of Council of The Corporation of the Town of Rainy River:

We have audited the accompanying financial statements of The Corporation of the Town of Rainy River Trust Fund (the "Entity"), which comprise the balance sheet as at December 31, 2023, and the statements of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and the continuity thereof, in accordance with the basis of accounting as described in Note 1.

Other Matters

The financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on May 24, 2023.

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

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

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

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

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

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

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

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

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

Fort Frances, Ontario

April 14, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

**The Corporation of the Town of Rainy River
Trust Fund - Cemetery Perpetual Care
Balance Sheet**

	Cemetery Perpetual Care and Maintenance	
December 31, 2023	2023 Total	2022 Total
Assets		
Cash	\$ 4,847	\$ 1,963
Investments at market value	128,950	123,263
	\$ 133,797	\$ 125,226
Liabilities		
Accounts payable	\$ 13,477	\$ 7,764
Balance capital	120,320	117,462
	\$ 133,797	\$ 125,226

Statement of Continuity

	Cemetery Perpetual Care and Maintenance	
December 31, 2023	2023 Total	2022 Total
Balance, beginning of year	\$ 117,462	\$ 120,369
Capital receipts		
Care receipts and contributions	2,858	2,259
Interest earned (investment loss)	5,687	(5,166)
	8,545	(2,907)
Expenditures		
Interest paid to cemetery	5,687	-
Balance, end of year	\$ 120,320	\$ 117,462

**The Corporation of the Town of Rainy River
Trust Fund
Notes to Financial Statements**

December 31, 2023

1. Summary of Significant Accounting Policies

Management's Responsibility The financial statements of the Corporation of the Town of Rainy River Trust Fund are the representation of management and have been prepared in accordance with accrual based accounting principals. Precise determination of some assets and liabilities may be dependent upon future events and estimates and approximations. These estimates and approximations have been based upon the available information, using careful judgment and review.

Accrual Basis of Accounting Sources of financing and expenditures are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

Basis of Consolidation These trust fund has not been consolidated with the financial statements of the Municipality.

2. Cemetery Perpetual Care Trust Fund

The Cemetery Perpetual Care Trust Fund was established in accordance with the Cemeteries Act for the care and maintenance of certain cemetery grounds.

3. Statement of Changes in Cash Flows

A statement of changes in cash flows has not been provided since the sources and uses of cash are readily apparent from the information included in the financial statements.