

**Town of Rainy River**  
**Financial Statements**  
*December 31, 2024*

**Town of Rainy River**  
**Contents**

*For the year ended December 31, 2024*

---

**Page**

**Management's Responsibility**

**Independent Auditor's Report**

**Financial Statements**

Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Operating Surplus.....	2
Consolidated Statement of Change in Net Debt.....	3
Consolidated Statement of Cash Flows (Changes in Financial Position).....	4

**Notes to the Financial Statements..... 5**

Schedule 1 - Consolidated Schedule of Segmented Disclosure.....	19
---	----

---

## Management's Responsibility

---

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

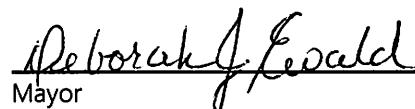
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Town Council, composed entirely of the Mayor and Council members, who are neither management nor employees of the Municipality, are responsible for overseeing management in the performance of its financial reporting responsibilities. Town Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Town Council is also responsible for recommending the appointment of the Municipality's external auditors.

MNP LLP is appointed by the Members of Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Town Council and management to discuss their audit findings.

February 2, 2026

  
Mayor

  
CAO/Clerk-Treasurer

To the Members of Council of Town of Rainy River:

### Opinion

We have audited the consolidated financial statements of the Town of Rainy River and its subsidiaries (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations and accumulated operating surplus, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2024, and the results of its consolidated operations, changes in its consolidated 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.

### 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  
February 2, 2026

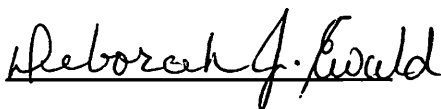
*MNP* LLP  
Chartered Professional Accountants  
Licensed Public Accountants

**MNP**

**Town of Rainy River**  
**Consolidated Statement of Financial Position**  
*As at December 31, 2024*

	<b>2024</b>	<b>2023</b>
<b>Financial assets</b>		
Cash and cash equivalents	220,667	488,279
Portfolio investments (Note 2)	42,098	563,443
Accounts receivable	3,074,745	305,472
Taxes receivable (Note 3)	225,747	131,454
<b>Total of assets</b>	<b>3,563,257</b>	<b>1,488,648</b>
<b>Liabilities</b>		
Accounts payable and accruals	3,429,802	584,058
Deferred revenue (Note 5)	102,655	414,306
Net long-term debt (Note 6)	637,048	711,714
Asset retirement obligations (Note 7)	642,972	624,246
Employee benefit obligations (Note 8)	78,740	66,413
<b>Total of financial liabilities</b>	<b>4,891,217</b>	<b>2,400,737</b>
<b>Net debt</b>	<b>(1,327,960)</b>	<b>(912,089)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 9)	27,946,676	25,469,340
Inventories of supplies	19,715	22,282
Prepaid expenses	66,038	111,300
<b>Total non-financial assets</b>	<b>28,032,429</b>	<b>25,602,922</b>
<b>Accumulated surplus (Note 10)</b>	<b>26,704,469</b>	<b>24,690,833</b>
<b>Contingencies (Note 16)</b>		
<b>Commitments (Note 21)</b>		

Approved on behalf of the Council

 Mayor

 CAO/Clerk-Treasurer

**Town of Rainy River**  
**Consolidated Statement of Operations and Accumulated Operating Surplus**  
*For the year ended December 31, 2024*

	<b>2024</b>	<b>2024</b>	<b>2023</b>
	<i>Budget</i>		
<b>Revenue</b>			
Taxation	939,176	969,628	855,804
Government transfers - Federal and Provincial (Note 11), (Note 12)	780,182	3,861,718	1,374,944
User fees and service charges	736,100	858,337	776,479
Other income (Note 13)	342,650	346,812	686,026
Investment Income	18,000	24,665	15,192
Municipal grants	-	31,506	6,000
	<b>2,816,108</b>	<b>6,092,666</b>	<b>3,714,445</b>
<b>Program expenses</b>			
General government	784,608	767,618	711,733
Protection services	315,076	338,735	298,344
Transportation services	999,138	910,918	879,044
Environmental services	1,156,517	887,392	883,118
Health services	174,837	170,608	162,736
Social and family services	8,726	58,630	39,644
Social housing	46,229	46,229	41,157
Recreation and cultural services	184,963	777,483	513,452
Planning and development	105,528	121,417	101,977
<b>Total expenditures</b>	<b>3,775,622</b>	<b>4,079,030</b>	<b>3,631,205</b>
<b>Operating surplus</b>	<b>(959,514)</b>	<b>2,013,636</b>	<b>83,240</b>
<b>Accumulated operating surplus, beginning of year</b>	<b>24,690,833</b>	<b>24,690,833</b>	<b>24,607,593</b>
<b>Accumulated operating surplus, end of year</b>	<b>23,731,319</b>	<b>26,704,469</b>	<b>24,690,833</b>

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

**Town of Rainy River**  
**Consolidated Statement of Change in Net Debt**  
*For the year ended December 31, 2024*

	<b>2024</b>	<b>2024</b>	<b>2023</b>
	<i>Budget</i>		
<b>Annual surplus</b>	<b>(959,514)</b>	<b>2,013,636</b>	<b>83,240</b>
Acquisition of tangible capital assets	(340,486)	(292,576)	(623,955)
Amortization of tangible capital assets	1,300,000	1,050,513	1,046,012
Loss (gain) on disposal of tangible capital assets	-	-	(181,000)
Proceeds on sale of tangible capital assets	-	-	181,000
Write downs of tangible capital assets	-	85,864	-
Completion (acquisition) of tangible capital assets under construction	-	(3,321,137)	(20,631)
	<b>959,514</b>	<b>(2,477,336)</b>	<b>401,426</b>
Acquisition of supplies inventories	-	-	(248)
Acquisition of prepaid expenses	-	-	(44,414)
Consumption of supplies inventories	-	2,567	-
Use of prepaid expenses	-	45,262	-
	-	<b>47,829</b>	<b>(44,662)</b>
<b>Decrease (increase) in net debt</b>	<b>-</b>	<b>(415,871)</b>	<b>440,004</b>
<b>Net debt, beginning of year</b>	<b>(912,089)</b>	<b>(912,089)</b>	<b>(1,352,093)</b>
<b>Net debt, end of year</b>	<b>(912,089)</b>	<b>(1,327,960)</b>	<b>(912,089)</b>

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

**Town of Rainy River**  
**Consolidated Statement of Cash Flows (Changes in Financial Position)**  
*For the year ended December 31, 2024*

	2024	2023
<b>Operating activities</b>		
Operating surplus	2,013,636	83,240
Non-cash items		
Amortization	1,050,513	1,046,012
Accretion	18,726	18,183
Gain (loss) on disposal of capital assets	-	(181,000)
	<b>3,082,875</b>	<b>966,435</b>
Changes in working capital accounts		
Accounts receivable	(2,769,273)	44,507
Taxes receivable	(94,293)	16,833
Inventory	2,567	(248)
Prepaid expenses	45,262	(44,414)
Accounts payable and accruals	2,845,744	321,328
Deferred revenue	(311,651)	210,642
Future employee benefits	12,327	2,312
	<b>2,813,558</b>	<b>1,517,395</b>
<b>Financing activities</b>		
Long-term debt repayments	(74,666)	(33,776)
<b>Capital activities</b>		
Purchases of tangible capital assets	(292,576)	(623,955)
Proceeds on sale of tangible capital assets	-	181,000
Write down of tangible capital assets	85,864	-
Completion (acquisition) of tangible capital assets under construction	(3,321,137)	(20,631)
	<b>(3,527,849)</b>	<b>(463,586)</b>
<b>Investing activities</b>		
Disposal (purchase) of portfolio investments	521,345	(534,202)
<b>Increase (decrease) in cash resources</b>	<b>(267,612)</b>	<b>485,831</b>
<b>Cash resources, beginning of year</b>	<b>488,279</b>	<b>2,448</b>
<b>Cash resources, end of year</b>	<b>220,667</b>	<b>488,279</b>
<b>Cash resources are composed of:</b>		
Cash and cash equivalents	220,667	488,279

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

**1. Significant accounting policies**

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

***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.

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.

**Town of Rainy River**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

---

1. **Significant accounting policies** *(Continued from previous page)*

**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.

When conditions indicate that a tangible capital asset no longer contributes to the Municipality's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the Municipality reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

**Amortization**

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	<i>Method</i>	<i>Rate</i>
Land improvements	straight-line	40 to 60 years
Buildings	straight-line	15 to 60 years
Machinery and equipment	straight-line	10 to 20 years
Roads and bridges	straight-line	10 to 80 years
Water Infrastructure	straight-line	30 to 80 years
Sewer Infrastructure	straight-line	30 to 80 years
Vehicles	straight-line	15 to 20 years
Computer hardware and software	straight-line	10 years

**Financial instruments**

The Municipality recognizes its financial instruments when the Municipality becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Municipality may irrevocably elect to subsequently measure any financial instrument at fair value. The Municipality has not made such an election during the year.

The Municipality subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The Municipality has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

1. **Significant accounting policies** *(Continued from previous page)*

***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.

***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***

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.

User fees and other revenues are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.

***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.

***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.

**Town of Rainy River**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**1. Significant accounting policies** *(Continued from previous page)*

***Asset retirement obligations***

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Municipality to incur retirement costs in relation to a tangible capital asset (or component thereof), 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 best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the Municipality reviews the carrying amount of the liability. The Municipality recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The Municipality continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

**2. Portfolio investments**

	<b>2024</b>	<b>2023</b>
Portfolio investments restricted by Council resolution - at cost or amortized cost:		
Investment savings account	2,978	2,977
Term deposits, 2.75% annual interest rate	-	25,000
Term deposits, 2.25% annual interest rate	-	23,683
Term deposits, 4.60% annual interest rate	35,000	-
Bond fund	3,242	3,100
	41,220	54,760
Other portfolio investments - at cost or amortized cost:		
High interest savings accounts, variable interest rates ranging from 4.275% to 5.465% during the year	878	508,683
	42,098	563,443

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).

**Town of Rainy River**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**3. Taxes receivable**

	2024	2023
Taxes receivable	275,911	174,777
Allowance for doubt accounts	(50,164)	(43,323)
	225,747	131,454

**4. Credit Facility**

The Municipality has an available credit facility with a Canadian Chartered Bank with a maximum authorized amount of \$300,000, bearing interest at the bank's prime rate plus 1.0%.

**5. Deferred revenue**

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	Balance, beginning of year	Contributions received	Revenue recognized	Balance, end of year
Federal gas tax	-	48,082	48,082	-
Infrastructure programs	265,484	246,987	512,471	-
Restricted donation	62,309	-	6,239	56,070
Other	86,513	-	39,928	46,585
	414,306	295,069	606,720	102,655

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.

**Town of Rainy River**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**6. Net long-term debt**

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

	<b>2024</b>	<b>2023</b>
Ontario Infrastructure and Lands Corporation loan, debenture loan, 5.18 % (2023, 4.75%) interest payable monthly with no set term for principal repayment. Matures July 15, 2042.	<b>546,329</b>	546,329
Ontario Infrastructure and Lands Corporation loan, debenture loan, 2.62%, blended semi-annual payments of \$18,863. Matures March 1, 2027.	<b>90,719</b>	125,385
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
	<b>637,048</b>	<b>711,714</b>

Principal repayments on long-term debt in each of the next five years , assuming all term debt is subject to contractual terms of repayment, are estimated as follows:

	Principal	Interest	Total
2025	35,581	30,445	66,026
2026	36,519	29,507	66,026
2027	18,619	28,544	47,163
2028	-	28,300	28,300
2029	-	28,300	28,300
	90,719	145,096	235,815
Thereafter	546,329	354,795	901,124

Interest on long-term debt amounted to \$31,862 (2023 - \$29,899).

**Town of Rainy River**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**7. Asset retirement obligations**

The Municipality operates a solid waste landfill and is legally required to perform closure and post-closure activities upon retirement of this site, which is estimated to be in 188 years. The Municipality recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the landfill. The asset retirement cost is amortized on a straight-line basis over the useful life of the landfill.

The Municipality estimated the amount of the liability using a net present value technique with a discount rate of 3% (2023 - 3%). The significant assumptions used to determine the best estimate of the liability include:

- The estimated total undiscounted future expenditures are \$63,787,994 (2023 - \$63,787,994), which are to be incurred over 25 years, with an estimated time frame from the year 2187 to the year 2212.

	<b>2024</b>	<b>2023</b>
<b>Balance, beginning of year</b>	<b>466,705</b>	453,111
<b>Accretion</b>	<b>14,001</b>	13,594
<b>Balance, end of year</b>	<b>480,706</b>	466,705

The Municipality owns wastewater settling lagoons, and is legally required to perform decommissioning activities upon retirement of this site. The Municipality recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the lagoons. The asset retirement cost is amortized on a straight-line basis over the useful life of the lagoons.

The Municipality estimated the amount of the liability using a net present value with a discount rate of 3% (2023 - 3%). The significant assumptions used to determine the best estimate of the liability include:

- The estimated total undiscounted future expenditures are \$297,959 (2023 - \$297,959), which are to be incurred over the next 26 years. It is estimated the liability will be settled by December 31, 2050.

	<b>2024</b>	<b>2023</b>
<b>Balance, beginning of year</b>	<b>134,138</b>	130,231
<b>Accretion</b>	<b>4,024</b>	3,907
<b>Balance, end of year</b>	<b>138,162</b>	134,138

The Municipality owns certain properties containing asbestos and is legally required to perform abatement activities upon retirement of these sites. The Municipality recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the buildings. The asset retirement cost is amortized on a straight-line basis over the useful life of each building.

The Municipality estimated the amount of the liability using a net present value technique with a discount rate of 3% (2023 - 3%). The significant assumptions used to determine the best estimate of the liability include:

- The estimated total undiscounted future expenditures are \$51,984 (2023 - \$51,984), which are to be incurred over the next 26 years. It is estimated that the liability will be settled by December 31, 2050.

	<b>2024</b>	<b>2023</b>
<b>Balance, beginning of year</b>	<b>23,403</b>	22,721
<b>Accretion</b>	<b>701</b>	682
<b>Balance, end of year</b>	<b>24,104</b>	23,403

**Town of Rainy River**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**8. Defined benefit and contribution plans and other post-employment benefits**

	2024	2023
Pre-May 2006 accumulated sick leave	19,860	18,234
Post-May 2006 accumulated sick leave	7,421	6,073
Accumulated vacation payable	51,459	42,106
	78,740	66,413

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.

**9. Tangible capital assets**

	Cost	Additions	Disposals	Accumulated amortization	2024 Net book value
Land and land improvements	1,783,030	-	-	360,731	1,422,299
Buildings	2,632,243	-	85,867	1,641,038	905,338
Machinery and equipment	1,479,013	281,576	-	1,083,011	677,578
Roads and bridges	13,392,015	-	-	5,530,471	7,861,544
Water infrastructure	9,078,468	-	-	2,725,430	6,353,038
Sewer infrastructure	12,167,370	-	-	4,890,091	7,277,279
Vehicles	269,327	11,000	-	195,961	84,366
Computer hardware and software	77,124	-	-	74,047	3,077
Assets under construction	41,020	3,341,526	20,389	-	3,362,157
	40,919,610	3,634,102	106,256	16,500,780	27,946,676

	Cost	Additions	Disposals	Accumulated amortization	2023 Net book value
Land and land improvements	1,527,279	255,751	-	328,315	1,454,715
Buildings	2,305,510	326,733	-	1,593,348	1,038,895
Machinery and equipment	1,437,542	41,471	-	998,698	480,315
Roads and bridges	13,392,015	-	-	5,042,181	8,349,834
Water infrastructure	9,078,468	-	-	2,561,168	6,517,300
Sewer infrastructure	12,167,370	-	-	4,668,315	7,499,055
Vehicles	269,327	-	-	184,813	84,514
Computer hardware and software	77,124	-	-	73,432	3,692
Assets under construction	20,389	20,631	-	-	41,020
	40,275,024	644,586	-	15,450,270	25,469,340

Amortization expense of \$1,050,513 (2023 - \$1,046,012) was recorded amongst the expenses for various programs listed on operations. Total amortization expense comprises \$32,417 amortization for land and land improvements, \$47,690 for buildings, \$11,148 for vehicles, \$84,313 for machinery and equipment, \$615 for computer hardware and software, \$488,292 for roads and bridges, \$165,141 for water infrastructure, and \$220,897 for sewer infrastructure.

**Town of Rainy River**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**10. Accumulated operating surplus**

Accumulated operating surplus consists of the following:

	<b>2024</b>	<b>2023</b>
Equity in tangible capital assets		
Tangible capital assets	<b>27,946,676</b>	25,469,340
Long-term debt	<b>(637,048)</b>	(711,714)
	<b>27,309,628</b>	24,757,626
<b>Operating surplus</b>		
General operating	<b>457,131</b>	309,215
Water	<b>(316,848)</b>	(299,954)
Sewer	<b>(593,314)</b>	(421,726)
Recreation Board	<b>43,907</b>	5,086
Cemetery	<b>(19,670)</b>	(21,910)
Library	<b>64,512</b>	30,887
Health Care Committee	<b>(16,653)</b>	(12,760)
Heritage Square Committee	<b>6,987</b>	5,987
	<b>(373,948)</b>	(405,175)
<b>Other allocated deficits</b>		
Asset retirement obligations	<b>(642,972)</b>	(624,246)
Employee future benefits	<b>(78,740)</b>	(66,413)
	<b>(721,712)</b>	(690,659)
<b>Reserve funds</b>		
Hydro sale	<b>334,363</b>	334,363
Water	<b>3,402</b>	3,402
Locum house	<b>3,242</b>	3,100
Library	<b>37,978</b>	51,660
Sick leave	<b>21,817</b>	21,817
Fire department	<b>18,946</b>	18,946
Health centre	<b>7,945</b>	7,945
	<b>427,693</b>	441,233
<b>Other reserve funds</b>		
Working capital reserve	<b>62,808</b>	587,808
	<b>26,704,469</b>	24,690,833

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, 2024, the Municipality had \$41,220 (2023 - \$54,760) in investments restricted by Council resolution with respect to those reserve funds. As a result, there were \$386,473 (2023 - \$386,473) in unfunded reserve funds.

**Town of Rainy River**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**11. Government transfers - Federal**

	2024	2023
<b>Operating</b>		
FedNor Economic Development	62,967	77,715
Other	18,415	26,842
<b>Total operating transfers</b>	<b>81,382</b>	<b>104,557</b>
<b>Tangible capital assets</b>		
Association of Municipalities of Ontario Federal Gas Tax Fund	48,082	53,414
FedNor - Canada Community Revitalization Fund	-	375,000
Investing in Canada Infrastructure Program	1,200,154	-
<b>Total tangible capital asset transfers</b>	<b>1,248,236</b>	<b>428,414</b>
<b>Total federal transfers</b>	<b>1,329,618</b>	<b>532,971</b>

**12. Government transfers - Provincial**

	2024	2023
<b>Operating</b>		
Ontario Municipal Partnership Fund	631,000	631,000
Ministry of Health	46,284	-
Northern Ontario Heritage Fund Corporation (NOHFC)	244,668	-
Other	34,956	123,860
<b>Total operating transfers</b>	<b>956,908</b>	<b>754,860</b>
<b>Tangible capital assets</b>		
Ontario Community Infrastructure Fund	508,682	20,631
Investing in Canada Infrastructure Program	1,000,028	-
Minister of Northern Development (NORDS)	66,482	66,482
<b>Total tangible capital asset transfers</b>	<b>1,575,192</b>	<b>87,113</b>
<b>Total provincial transfers</b>	<b>2,532,100</b>	<b>841,973</b>

**13. Other income**

	2024	2023
Penalties and interest on taxes	26,398	7,066
Permits, licenses, and fines	5,570	319,492
Rentals	88,032	84,626
Donations	138,360	40,906
Gain on sale of tangible capital assets	-	181,000
Provincial offences	1,647	(292)
Other fines	9,963	12,165
Miscellaneous	76,842	41,063
	<b>346,812</b>	<b>686,026</b>

**Town of Rainy River**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**14. Expenses by object**

	<b>2024</b>	<b>2023</b>
Wages and benefits	1,108,278	986,301
Interest on long-term debt	31,859	29,899
Materials	931,465	714,468
Contracted services	497,822	371,081
Rent and financial	308,761	323,549
Contributions to other organizations	150,332	159,895
Amortization	1,050,513	1,046,012
	<b>4,079,030</b>	<b>3,631,205</b>

**15. Operations of school boards**

	<b>2024</b>	<b>2023</b>
During the year, the following taxation revenue was raised and remitted to the school boards	60,839	60,825
	<b>60,839</b>	<b>60,825</b>

**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, 2024.

**17. Contributions to unconsolidated boards**

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

	<b>2024</b>	<b>2023</b>
Northwestern Health Unit	36,597	39,564
District of Rainy River Services Board (DRRSB) - Ambulance Services	50,330	48,475
DRRSB - General assistance	4,450	5,247
DRRSB - Child care	4,276	4,340
DRRSB - Social housing	46,229	41,157
	<b>141,882</b>	<b>138,783</b>

**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, 2024, was \$58,921 (2023 - \$61,512).

As at December 31, 2024, the OMERS plan was 98% funded (December 31, 2023 - 97%) and reported an actuarial funding deficit of \$2.9 billion (2023 - \$4.2 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.

**19. Budget**

The Financial Plan (Budget) By-Law adopted by Council on July 8, 2024 was not prepared on a basis consistent with that used to report actual results (Canadian Public 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 July 8, 2024 with adjustments as follows:

	<b>2024</b>
Financial Plan (Budget) By-Law surplus (deficit) for the year	-
Add:	
Capital expenditures	340,486
Less:	
Amortization	(1,300,000)
<b>Budget surplus (deficit) per consolidated statement of operations</b>	<b>(959,514)</b>

**20. Trust Funds**

The trust funds administered by the Municipality amounting to \$122,029 (2023 - \$120,320) have not been included on the consolidated statement of financial position nor have their operations been included on the consolidated statement of operations.

**Town of Rainy River**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**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.

**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%.

	2024		2023	
	Total	Municipality Portion	Total	Municipality Portion
Financial assets	35,147	11,716	56,560	18,853
Financial liabilities	75,380	25,127	85,540	28,513
Net financial debt	(40,233)	(13,411)	(28,980)	(9,660)
Non-financial assets	381,479	127,160	387,447	129,149
Accumulated surplus	341,246	113,749	358,467	119,489
Revenue	16,221	5,407	16,390	5,463
Expenses	33,442	11,147	28,824	9,608
Annual deficit	(17,221)	(5,740)	(12,434)	(4,145)
Accumulated surplus, beginning of year	358,467	119,489	370,901	123,634
Accumulated surplus, end of year	341,246	113,749	358,467	119,489

**23. Segment 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 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.

**Town of Rainy River**  
**Schedule 1 - Consolidated Schedule of Segmented Disclosure**  
*For the year ended December 31, 2024*

	General government	Protection services	Transportation services	Environmental services	Health services	Social and family services	Social housing	Recreation and cultural services	Planning and development	2024
<b>Revenue</b>										
Taxation	122,373	230,797	-	141,022	203,589	1,998	183,459	79,133	7,257	969,628
User fees and service charges	6,065	-	17,029	727,615	6,985	-	-	100,643	-	858,337
Conditional grants	11,445	-	2,823,428	15,989	-	46,284	-	257,000	76,572	3,230,718
Unconditional grants	79,636	150,194	-	91,772	132,489	1,300	119,389	51,497	4,723	631,000
Municipal grants	-	-	-	-	-	-	-	31,506	-	31,506
Other income	46,884	88,421	-	54,027	77,997	765	70,286	30,317	2,760	371,477
	<b>268,403</b>	<b>469,412</b>	<b>2,840,457</b>	<b>1,030,425</b>	<b>421,060</b>	<b>50,347</b>	<b>373,134</b>	<b>550,098</b>	<b>91,332</b>	<b>6,092,666</b>
	-	-	-	-	-	-	-	-	-	-
<b>Expenses</b>										
Wages and benefits	426,785	-	169,698	162,245	9,078	-	-	232,068	108,404	1,108,278
Interest on long-term debt	28,799	-	-	3,060	-	-	-	-	-	31,859
Materials	79,843	48,616	180,193	180,147	51,039	35,754	-	349,047	6,826	931,465
Contracted services	13,835	283,403	24,899	65,515	252	-	-	104,654	5,264	497,822
Rent and financial	210,389	-	-	46,144	9,789	14,150	-	28,289	-	308,761
Contributions to other organizations	300	-	-	-	92,927	8,726	46,229	2,150	-	150,332
	<b>759,951</b>	<b>332,019</b>	<b>374,780</b>	<b>457,111</b>	<b>163,085</b>	<b>58,630</b>	<b>46,229</b>	<b>716,208</b>	<b>120,494</b>	<b>3,028,517</b>
<b>Net revenue, before amortization</b>	<b>(493,548)</b>	<b>137,393</b>	<b>2,465,667</b>	<b>573,314</b>	<b>257,975</b>	<b>(8,283)</b>	<b>326,905</b>	<b>(166,112)</b>	<b>(29,162)</b>	<b>3,084,149</b>
Amortization	7,667	6,716	536,128	430,281	7,523	-	-	61,275	923	1,050,513
<b>Net revenue</b>	<b>(501,215)</b>	<b>130,677</b>	<b>1,929,539</b>	<b>143,033</b>	<b>250,452</b>	<b>(8,283)</b>	<b>326,905</b>	<b>(227,387)</b>	<b>(30,085)</b>	<b>2,013,636</b>

**Town of Rainy River**  
**Schedule 1 - Consolidated Schedule of Segmented Disclosure**  
*For the year ended December 31, 2024*

	<i>General government</i>	<i>Protection services</i>	<i>Transportation services</i>	<i>Environmental services</i>	<i>Health services</i>	<i>Social and family services</i>	<i>Social housing</i>	<i>Recreation and cultural services</i>	<i>Planning and development</i>	2023
<b>Revenue</b>										
Taxation	203,091	105,663	174,054	243,483	73,703	3,113	45,049	2,112	5,536	855,804
User fees and service 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 income	166,407	86,577	142,614	199,502	60,390	2,550	36,912	1,730	4,536	701,218
	<b>520,926</b>	<b>270,147</b>	<b>590,838</b>	<b>1,264,558</b>	<b>198,461</b>	<b>34,394</b>	<b>115,177</b>	<b>627,301</b>	<b>92,643</b>	<b>3,714,445</b>
<b>Expenses</b>										
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	68,957	-	-	-	-	5,264	371,081
Rent and financial	239,868	-	-	45,221	11,164	7,803	-	19,493	-	323,549
Contributions to other organizations	1,760	-	-	-	94,039	9,588	41,157	13,351	-	159,895
	<b>703,487</b>	<b>291,628</b>	<b>342,524</b>	<b>453,072</b>	<b>155,213</b>	<b>39,644</b>	<b>41,157</b>	<b>457,414</b>	<b>101,054</b>	<b>2,585,193</b>
<b>Not revenue, before amortization</b>	<b>(182,561)</b>	<b>(21,481)</b>	<b>248,314</b>	<b>811,486</b>	<b>43,248</b>	<b>(5,250)</b>	<b>74,020</b>	<b>169,887</b>	<b>(8,411)</b>	<b>1,129,252</b>
<b>Amortization</b>	<b>8,246</b>	<b>6,716</b>	<b>536,520</b>	<b>430,046</b>	<b>7,523</b>	<b>-</b>	<b>-</b>	<b>58,038</b>	<b>923</b>	<b>1,046,012</b>
<b>Net revenue</b>	<b>(190,807)</b>	<b>(28,197)</b>	<b>(288,208)</b>	<b>381,440</b>	<b>35,725</b>	<b>(5,250)</b>	<b>74,020</b>	<b>113,849</b>	<b>(9,334)</b>	<b>83,240</b>