



Consolidated financial statements of
**Corporation of the Town of
Hawkesbury**

December 31, 2024

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
Corporation of the Town of Hawkesbury

Opinion

We have audited the consolidated financial statements of Corporation of the Town of Hawkesbury (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, changes in net debt and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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

Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the 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 Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Hawkesbury ON
October 14, 2025

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants



Corporation of the Town of Hawkesbury
Consolidated statement of operations
For the year ended December 31, 2024

	Budget 2024	Actual 2024	Actual 2023
	\$	\$	\$
Revenues			
Taxation – all classes	20,642,830	20,620,696	19,746,286
Less: amounts received for the counties and school boards (Note 3)	(7,688,777)	(7,720,051)	(7,525,592)
Net taxation for municipal purposes	12,954,053	12,900,645	12,220,694
User fees	7,467,062	7,843,565	7,571,468
Transfer payments			
Government of Canada	1,107,769	283,326	759,600
Province of Ontario	5,177,079	4,227,743	4,925,051
Other municipalities	2,237,240	1,261,649	1,365,526
Gain on sale of tangible capital assets	35,450	3,000	1,039
Licenses and permits	648,910	693,148	436,508
Investment income	272,771	399,695	315,182
Penalties and interest	195,000	280,874	227,078
Fines	-	34,258	19,858
Other	-	46,187	747,064
Equity earnings – Hawkesbury Hydro Inc.	-	123,287	(65,630)
	30,095,334	28,097,377	28,523,438
Expenses (Schedule 5)			
General government	2,930,514	3,479,127	2,886,090
Protection to person and property	6,440,155	7,085,612	6,771,701
Transportation services	2,841,951	3,603,408	3,481,932
Environmental services	5,377,055	7,460,805	7,565,085
Recreation and cultural services	3,946,383	4,303,958	4,040,705
Planning and zoning	321,300	438,796	353,228
	21,857,358	26,371,706	25,098,741
Annual surplus	8,237,976	1,725,671	3,424,697
Accumulated surplus, beginning of year	102,176,357	102,176,357	98,751,660
Accumulated surplus, end of year (Schedule 2)	110,414,333	103,902,028	102,176,357

The accompanying notes and supporting schedules are an integral part of the consolidated financial statements.



Corporation of the Town of Hawkesbury
Consolidated statement of financial position
December 31, 2024

	2024	2023
	\$	\$
Assets		
Financial assets		
Cash	7,279,276	7,008,396
Taxes receivable	2,510,981	1,816,085
User fees receivable	1,834,503	1,509,120
Accounts receivable	3,824,494	3,355,377
Investments (Note 4)	8,886,511	8,715,691
	24,335,765	22,404,669
Liabilities		
Accounts payable and accrued liabilities	6,583,474	3,730,670
Deferred revenues (Note 5)	3,459,182	3,013,009
Future employee benefits (Note 6)	285,557	315,891
Asset retirement obligation liability (Note 7)	2,412,741	2,370,080
Debts (Note 8)	21,641,337	17,727,445
	34,382,291	27,157,095
Net debt	(10,046,526)	(4,752,426)
Contingencies and commitments (Notes 11 and 12)		
Non-financial assets		
Tangible capital assets (Schedule 1)	113,358,402	106,464,716
Inventories	184,545	173,319
Prepaid expenses	405,607	290,748
	113,948,554	106,928,783
Accumulated surplus (Schedule 2)	103,902,028	102,176,357

The accompanying notes and supporting schedules are an integral part of the consolidated financial statements.

Approved by the Board

_____, Mayor

_____, Treasurer



Corporation of the Town of Hawkesbury
Consolidated statement of changes in net debt
For the year ended December 31, 2024

	Budget 2024	Actual 2024	Actual 2023
	\$	\$	\$
Annual surplus	8,237,976	1,725,671	3,424,697
Gain on sale of tangible capital assets	(35,450)	(3,000)	(1,039)
Amortization of tangible capital assets	-	3,643,473	3,437,084
Purchase of tangible capital assets	(15,568,000)	(10,537,159)	(12,441,693)
Proceeds from sale of tangible capital assets	35,450	3,000	52,525
Decrease in land available for sale	-	-	465,717
(Increase) decrease in inventories	-	(11,226)	7,390
Increase in prepaid expenses	-	(114,859)	(162)
Increase in net debt	(7,330,024)	(5,294,100)	(5,055,481)
(Net debt) net financial assets, beginning of year	(4,752,426)	(4,752,426)	303,055
Net debt, end of year	(12,082,450)	(10,046,526)	(4,752,426)

The accompanying notes and supporting schedules are an integral part of the consolidated financial statements.



Corporation of the Town of Hawkesbury
Consolidated statement of cash flow
For the year ended December 31, 2024

	2024	2023
	\$	\$
Operating activities		
Annual surplus	1,725,671	3,424,697
Changes in non-cash operating working capital items		
Increase in taxes receivable	(694,896)	(297,144)
Increase in user fees receivable	(325,383)	(93,470)
Increase in accounts receivable	(469,117)	(1,193,983)
Increase in accounts payable and accrued liabilities	1,901,862	868,738
Increase in deferred revenues	446,173	153,603
(Decrease) increase in future employee benefits	(30,334)	80,534
Increase in asset retirement obligation	42,661	-
(Increase) decrease in inventories	(11,226)	7,390
Decrease in land available for sale	-	465,717
Increase in prepaid expenses	(114,859)	(162)
	744,881	(8,777)
Non-cash operating items		
Amortization of tangible capital assets	3,643,473	3,437,084
Gain on sale of tangible capital assets	(3,000)	(1,039)
Equity earnings – Hawkesbury Hydro Inc.	(123,287)	65,630
	3,517,186	3,501,675
Net increase in cash from operating activities	5,987,738	6,917,595
Capital activities		
Purchase of tangible capital assets	(9,586,217)	(9,763,492)
Proceeds from sale of tangible capital assets	3,000	52,525
	(9,583,217)	(9,710,967)
Investing activities		
Increase in investments	(132,000)	(179,241)
Dividend received from Hawkesbury Hydro Inc.	84,467	84,467
	(47,533)	(94,774)
Financing activities		
Proceeds from long-term debt	5,000,000	4,500,000
Debt principal repayment	(1,086,108)	(1,003,350)
	3,913,892	3,496,650
Net increase in cash	270,880	608,504
Cash, beginning of year	7,008,396	6,399,892
Cash, end of year	7,279,276	7,008,396

See additional information presented in Note 9.

The accompanying notes and supporting schedules are an integral part of the consolidated financial statements.



Corporation of the Town of Hawkesbury
Notes to the consolidated financial statements
December 31, 2024

1. Change in accounting policies

Section PS 3400, Revenue

Effective January 1, 2024, the Municipality adopted the new standard of Section PS 3400 Revenue, which establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The new standard is applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application.

2. Accounting policies

The consolidated financial statements of the Municipality are the responsibility of management and are prepared in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board ("PSAB") of CPA Canada.

The focus of the PSAB consolidated financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position reports financial assets and liabilities and non-financial assets of the Municipality. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Net financial assets are the difference between financial assets and liabilities.

Reporting entity

Consolidated financial statements

These consolidated financial statements reflect the assets, liabilities, operating revenues and expenses, reserves and reserve funds and changes in investment in tangible capital assets and include the activities of all committees of council and the following board and commissions which are under the control of council:

Hawkesbury Community Industrial Strategic Planning Association
Hawkesbury Public Library Board
Corporation of the Town of Hawkesbury Business Improvement Area Commission

Non-consolidated entities

The Hawkesbury Regional Committee for Waste Management's financial position and its related operations are not consolidated because they are not controlled by the Municipality.

Basis of accounting

Accrual basis

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



Corporation of the Town of Hawkesbury
Notes to the consolidated financial statements
December 31, 2024

2. Accounting policies (continued)

Non-financial assets

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 changes in net debt.

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 and losses. 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 expenses. 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 consolidated 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.



Corporation of the Town of Hawkesbury
Notes to the consolidated financial statements
December 31, 2024

2. Accounting policies (continued)

Basis of accounting (continued)

Tangible capital assets

Tangible capital assets ("TCA") are recorded at cost, which includes all amounts that are directly attributable to acquisitions, construction, development or betterment of the asset. The cost, less residual value of the TCA, is amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	20 years
Buildings and facilities	7 - 50 years
Waterworks and sewers	25 - 60 years
Vehicles	5 - 20 years
Roads and bridges	20 - 60 years
Machinery and equipment	5 - 20 years

The amortization starts in the month when the asset is put into service and ends in the month of sale. Assets under construction are not amortized until the TCA are available for productive use.

Land is not amortized.

The Municipality has a capitalization threshold of \$25,000 for civil infrastructure systems, \$3,500 for lamps and \$10,000 for all other assets. Items of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons. Examples of pools are desktop computer systems, cars, utility poles and defibrillators.

Contribution of tangible capital assets

TCA received as contributions are recorded in the consolidated statement of financial position at their fair value at the date of receipt, and that fair value is also recorded as revenue. Transfers of TCA to the other organizations are recorded as an expense at the net book value as of the date of transfer.

Investments

Investments in the common shares of Hawkesbury Hydro Inc. are accounted for by the modified equity method.

Inventories

Inventories held for consumption are recorded at the lower of cost or replacement cost. Cost is determined on a first-in, first-out basis.

Leases

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



Corporation of the Town of Hawkesbury
Notes to the consolidated financial statements
December 31, 2024

2. Accounting policies (continued)

Basis of accounting (continued)

Deferred revenues

Funds received for specific purposes are accounted for as deferred revenues until the Municipality discharges its obligations which led to receipt of the funds.

Future employee benefits

Sick leave and retirement benefits are accrued as entitlements are earned.

Reserves and reserve funds

Certain amounts, as approved by council, are set aside in reserves and reserve funds for capital and future operating purposes.

Government transfers

Government transfers are recognized as revenues in the period during which the transfer is authorized and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations that require specific actions to be carried out in order to keep the transfer. For such transfers, revenue is recognized when the stipulation has been met.

Segment disclosures

A segment is defined as a distinguishable activity or group of activities for which it is appropriate to separately report financial information. Management has determined that existing disclosures in the consolidated statement of operations and within the related notes for both the prior and current years sufficiently disclose information of all appropriate segments and therefore no additional disclosure is required.

Asset retirement obligation liability

The Municipality recognizes the liability for an asset retirement obligation arising from the acquisition, development, construction or normal operation of a long-lived asset, in the year in which it is incurred and when a reasonable estimate of the amount of the obligation can be made. The liability is measured at the best estimate of the expenditure required to settle the present obligation.

The corresponding cost is capitalized as part of the related asset and is amortized over the asset's useful life.

In subsequent years, the liability is adjusted for changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of the undiscounted cash flows or the discount rate. The accretion of the liability as a result of the passage of time is charged to earnings while changes to the liability resulting from revisions to either the original estimate of the undiscounted cash flows or the discount rate are accounted for as an adjustment to the carrying amount of the related long-lived asset.



Corporation of the Town of Hawkesbury
Notes to the consolidated financial statements
December 31, 2024

2. Accounting policies (continued)

Basis of accounting (continued)

Asset retirement obligation liability (continued)

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.

Use of estimates

The preparation of consolidated financial statements in conformity with the PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Key components of the consolidated financial statements requiring management to make estimates include the provision for doubtful accounts in respect of accounts receivable, the useful lives of TCA, the evaluation of asset retirement obligation and the amount of certain accrued liabilities. Actual results could differ from these estimates.

3. Operations of the United Counties of Prescott and Russell and school boards

The amounts collected on behalf of the Counties of Prescott and Russell and school boards are comprised of the following:

	United Counties	School boards	Total
	\$	\$	\$
2024			
Taxation	4,705,790	2,932,646	7,638,436
Grant in lieu of taxes	79,466	2,149	81,615
	4,785,256	2,934,795	7,720,051
2023			
Taxation	4,516,713	2,930,557	7,447,270
Grant in lieu of taxes	76,173	2,149	78,322
	4,592,886	2,932,706	7,525,592



Corporation of the Town of Hawkesbury
Notes to the consolidated financial statements
December 31, 2024

4. Investments

	2024	2023
	\$	\$
Guaranteed investments which earn interest from 4.15% to 5.15% and maturing from August 2025 to April 2028	1,741,351	1,661,991
ONE Canadian Government Bond Portfolio (market value as at December 31, 2024 of \$1,045,857)	1,078,365	1,052,714
ONE Canadian Corporate Bond Portfolio (market value as at December 31, 2024 of \$1,027,780)	1,088,707	1,061,718
Hawkesbury Hydro Inc. 1,000 common shares representing 100.00% of the voting shares (schedule 4)	4,978,088	4,939,268
	8,886,511	8,715,691

5. Deferred revenues

	2024	2023
	\$	\$
Federal gas tax	1,356,159	1,004,241
Grant received in advance	1,778,650	1,704,236
Rental contract	46,091	55,614
Performance bond	152,549	124,024
Dispatch services	96,677	84,200
Other	29,056	40,694
	3,459,182	3,013,009

The net change during the year in deferred revenues is made up as follows:

Amount received	2,284,751	2,536,035
Deferred revenues recognized	(1,812,331)	(2,291,893)
Other changes	(26,247)	(90,539)
	446,173	153,603
Deferred revenues, beginning of year	3,013,009	2,859,406
Deferred revenues, end of year	3,459,182	3,013,009



Corporation of the Town of Hawkesbury
Notes to the consolidated financial statements
December 31, 2024

6. Future employee benefits

The amount of future employee benefits shown on the consolidated statement of financial position represents \$188,589 (\$202,883 in 2023) of accumulated sick leave and \$96,968 (\$113,008 in 2023) of post-retirement benefits.

The sick leave benefits accumulate at a rate of 1.5 days per month to a maximum amount equivalent to 50% of an employee's yearly salary.

Accumulated sick leave benefits are payable when sick leaves are taken and are subject to payout when an employee leaves the Municipality's employment.

The Municipality offers post-retirement benefits to certain employees. These benefits include health, dental and life insurance benefits. These post-retirement benefits will be financed in the year that they will be paid.

7. Asset retirement obligation liability

The Municipality recorded an estimate of asset retirement obligation of \$2,412,741 to remove and eliminate lead and asbestos in buildings and installations. The nature of the liability is linked to the materials containing lead and asbestos in multiple installations in the Municipality, which will have to be properly eliminated when the buildings are sold or when the restoration work is undertaken. The assumptions used to estimate the responsibility include various types of materials containing lead and asbestos in each of the buildings of the Municipality, as well as the labour standard that will be necessary to safely remove all the materials containing lead and asbestos. Furthermore, assumptions were made regarding the remaining useful life of the buildings of the Municipality that contain materials with lead and asbestos in order to estimate when the costs of rehabilitation would be incurred.

	2024	2023
	\$	\$
Opening balance	2,370,080	-
Impact of the application of Section PS 3280	-	2,370,080
Accretion expense	42,661	-
	2,412,741	2,370,080



Corporation of the Town of Hawkesbury
Notes to the consolidated financial statements
December 31, 2024

8. Debts

	2024	2023
	\$	\$
Debts incurred by the Municipality, 1.30% to 4.90%, maturing between 2025 and 2048	14,141,337	15,227,445
Temporary debts for construction, prime rate plus 0.00%, to be converted in debts at the end of the construction	7,500,000	2,500,000
	21,641,337	17,727,445

Of the debts reported above, principal payments for the next fiscal years are as follows:

	General taxation	User charges	Total
	\$	\$	\$
2025	440,979	631,536	1,072,515
2026	407,196	651,914	1,059,110
2027	389,674	508,830	898,504
2028	403,135	526,404	929,539
2029	417,086	544,585	961,671
Thereafter	5,311,606	11,408,392	16,719,998
	7,369,676	14,271,661	21,641,337

The annual principal and interest payments required to service these debts are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

9. Additional information relating to the consolidated statement of cash flow

Non-cash transactions

During the year, TCA were acquired at an aggregate cost of \$10,537,159 (\$12,441,693 in 2023), of which an amount of \$1,274,922 (\$323,980 in 2023) was paid after year-end, nil (\$2,370,080 in 2023) related to the asset retirement obligation and an amount of \$9,262,237 (\$9,747,633 in 2023) was paid during the year.

10. Pension agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer plan, which as of December 31, 2024, was on behalf of 102 members (102 in 2023) of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to the OMERS for 2024 was \$604,847 (\$543,593 in 2023) for current services and is included as an expense in the consolidated statement of operations.



Corporation of the Town of Hawkesbury
Notes to the consolidated financial statements
December 31, 2024

11. Contingencies

Legal actions

Legal actions are still pending against the Municipality by third parties. It is not possible at this time to determine the amount, if any, of any awards that may be made against the Municipality. Any amount awarded in excess of any applicable insurance proceeds as a result of these actions will be charged to operations in the year incurred. The Municipality has outside coverage for public liability claims up to \$50,000,000.

Letter of guarantee

The Municipality endorsed a letter of guarantee in the amount of \$399,528 in favor of the Independent Market Operator for Hawkesbury Hydro Inc.

Line of credit

The Municipality endorsed a line of credit of \$1,000,000 for Hawkesbury Hydro Inc. As of December 31, 2024, the line of credit was unused.

Contaminated site

Based on Redevelopment Program proposed to the Ministry of Environment and Energy in 2015, the Boundary Control Treatment System has been decommissioned and applicable Risk Assessments completed, in order to facilitate purchase and redevelopment of the site by developers. Ongoing groundwater monitoring and reporting to the Ministry of Environment and Energy and updates to the Trigger Level Assessment Program are expected over the next three years, with contingency measures to be implemented as necessary. The estimated costs over the next three years are between \$233,000 and \$833,000.

12. Commitments

Contractual obligations

The Municipality has signed contracts for capital projects. Future payments aggregate to \$7,189,000.

Vehicle leases

The Municipality signed operating leases for vehicles expiring in 2025 and 2028. Future payments over the next four years aggregate to \$179,850.

Waste disposal and collection

The Municipality signed an agreement in 2024 for the waste collection and disposal from May 2024 to December 2028. The total estimated disbursements over the next four years are \$4,177,000.



Corporation of the Town of Hawkesbury
Notes to the consolidated financial statements
December 31, 2024

13. Budget amounts

The initial operating budget approved by the Municipality for 2024 is reflected on the consolidated statement of operations. The budget established for capital investments in TCA is on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual purchase amounts.

For the purposes of these consolidated financial statements, budget figures have been presented on a basis consistent with the presentation of actual figures.



Corporation of the Town of Hawkesbury
Consolidated tangible capital assets
For the year ended December 31, 2024

Schedule 1

	Land and land improvements	Buildings and facilities	ARO	Water- works and sewers	Roads and bridges	Machinery and equipment	Assets under construct- ion	2024	2023
	\$	\$		\$	\$	\$	\$	\$	\$
Cost									
Beginning of year	6,489,173	87,087,094	2,370,080	38,826,696	28,769,016	12,619,552	9,908,076	186,069,687	174,099,400
Purchases	441,673	110,298	-	394,926	7,599	748,423	8,834,240	10,537,159	12,441,693
Sales	-	-	-	-	-	(139,547)	-	(139,547)	(471,406)
Transfer	-	-	-	-	133,518	3,261,117	(3,394,635)	-	-
End of year	6,930,846	87,197,392	2,370,080	39,221,622	28,910,133	16,489,545	15,347,681	196,467,299	186,069,687
Accumulated amortization									
Beginning of year	1,296,276	42,353,087	124,850	15,698,564	13,204,424	6,927,770	-	79,604,971	76,587,807
Amortization	39,249	1,398,934	124,850	661,305	698,693	720,442	-	3,643,473	3,437,084
Accumulated amortization on sales	-	-	-	-	-	(139,547)	-	(139,547)	(419,920)
End of year	1,335,525	43,752,021	249,700	16,359,869	13,903,117	7,508,665	-	83,108,897	79,604,971
Net book value	5,595,321	43,445,371	2,120,380	22,861,753	15,007,016	8,980,880	15,347,681	113,358,402	106,464,716



Corporation of the Town of Hawkesbury
Consolidated accumulated surplus
For the year ended December 31, 2024

Schedule 2

	2024	2023
	\$	\$
Reserves		
Purchase of tangible capital assets		
– Sanitary sewers	606,666	681,666
– Waterworks	2,935,272	2,913,449
– Other	1,527,424	1,824,368
Replacement of equipment and vehicles	1,177,850	1,127,615
Other	815,496	794,496
Working capital	2,071,287	2,071,287
Waste site	179,880	79,880
Hawkesbury Community Industrial Strategic Planning Association	195,634	195,634
	9,509,509	9,688,395
Reserve funds		
Building permit	237,029	204,173
Purchase of tangible capital assets – library	106,890	115,958
	343,919	320,131
	9,853,428	10,008,526
Operating		
For (increase) decrease of taxation		
– Library	24,214	(11,080)
– General	479,192	499,862
	503,406	488,782
For (increase) decrease of user charges		
– Waterworks	(22,572)	186,333
– Sewers	(93,702)	(63,506)
– Waste collection	32,549	(164,057)
For benefiting landowners related to special charges	110,160	91,486
Hawkesbury Community Industrial Strategic Planning Association	1,228,963	1,203,389
	1,758,804	1,742,427
Invested in tangible capital assets	91,717,066	88,737,271
Unfinanced tangible capital assets	(3,159,289)	(768,048)
Overfinanced tangible capital assets	1,263,640	-
Unfinanced future employee benefits	(96,968)	(113,007)
Unfinanced asset retirement obligation	(2,412,741)	(2,370,080)
Investments	4,978,088	4,939,268
	92,289,796	90,425,404
	103,902,028	102,176,357



Corporation of the Town of Hawkesbury
Consolidated statement of operations for the reserves and reserve funds
For the year ended December 31, 2024

Schedule 3

	2024 Budget	2024 Actual	2023 Actual
	\$	\$	\$
Revenues			
Investments	-	2,932	1,520
Net transfers from operating	(448,800)	(158,030)	25,103
Changes in reserves and reserve funds	(448,800)	(155,098)	26,623
Reserves and reserve funds, beginning of year	10,008,526	10,008,526	9,981,903
Reserves and reserve funds, end of year	9,559,726	9,853,428	10,008,526



Corporation of the Town of Hawkesbury
Consolidated statement of operations for investments
For the year ended December 31, 2024

Schedule 4

	2024 Budget	2024 Actual	2023 Actual
	\$	\$	\$
Revenues			
Hydro			
Equity earnings	-	123,287	(65,630)
Net transfer to operations			
Hydro – dividend	(84,467)	(84,467)	(84,467)
Net change in investments	(84,467)	38,820	(150,097)
Investments, beginning of year	4,939,268	4,939,268	5,089,365
Investments, end of year (Note 4)	4,854,801	4,978,088	4,939,268



Corporation of the Town of Hawkesbury
Consolidated statement of expenses by object
For the year ended December 31, 2024

Schedule 5

	2024 Budget	2024 Actual	2023 Actual
	\$	\$	\$
Salaries, wages and benefits	9,514,734	9,515,315	9,151,575
Interest	707,542	711,710	520,227
Materials	5,498,619	5,575,332	5,303,295
Contracted services	5,523,363	6,414,216	6,142,922
Rents and financial expenses	615,400	519,160	543,638
External transfers	(2,300)	(7,500)	-
Amortization of tangible capital assets	-	3,643,473	3,437,084
	21,857,358	26,371,706	25,098,741



Corporation of the Town of Hawkesbury
Statement of operations
Waterworks
For the year ended December 31, 2024

	2024 Budget	2024 Actual	2023 Actual
	\$	\$	\$
Revenues			
Direct water billings	2,297,375	2,206,634	2,122,748
Water sale to other	50,000	41,877	44,443
Government of Canada	1,085,769	269,394	657,379
Province of Ontario	988,356	285,287	929,469
Other municipalities	1,815,000	812,179	958,561
Other	12,000	25,524	12,456
	6,248,500	3,640,895	4,725,056
Expenses			
Administration	555,550	592,828	448,312
Filtration plant	898,175	1,123,186	960,472
Pumping system	55,600	49,455	48,873
Water tower	54,000	41,514	52,337
Water transmission system	402,050	307,744	336,903
Interest on debt	192,246	200,004	100,701
Amortization of tangible capital assets	-	663,931	639,265
	2,157,621	2,978,662	2,586,863
Annual surplus	4,090,879	662,233	2,138,193
Accumulated surplus, beginning of year	23,695,491	23,695,491	21,557,298
Accumulated surplus, end of year	27,786,370	24,357,724	23,695,491
Consists of:			
Operating	186,333	(22,572)	186,333
Reserves	2,608,450	2,935,272	2,913,450
Invested in tangible capital assets	25,807,427	21,011,908	21,581,166
Unfinanced tangible capital assets	-	-	(169,618)
Overfinanced tangible capital assets	-	1,263,641	-
Unfinanced asset retirement obligation	(815,840)	(830,525)	(815,840)
	27,786,370	24,357,724	23,695,491



Corporation of the Town of Hawkesbury
Statement of operations
Sanitary sewers
For the year ended December 31, 2024

	2024 Budget	2024 Actual	2023 Actual
	\$	\$	\$
Revenues			
Direct sewer billings	2,875,858	2,746,308	2,642,628
User fees	25,000	9,380	32,686
Province of Ontario	100,000	189,135	86,235
	3,000,858	2,944,823	2,761,549
Expenses			
Electricity	381,100	358,985	366,920
Interdepartmental transfers	70,000	70,000	53,437
Sewage filtration plant	890,050	858,591	852,198
Interest on debt	293,156	290,067	304,372
Biosolid management	145,000	158,138	168,915
Amortization of tangible capital assets	-	1,103,524	1,097,612
Other	281,500	231,872	234,084
	2,060,806	3,071,177	3,077,538
Annual deficit	940,052	(126,354)	(315,989)
Accumulated surplus, beginning of year	33,195,234	33,195,234	33,511,223
Accumulated surplus, end of year	34,135,286	33,068,880	33,195,234
Consists of:			
Operating	(63,506)	(93,702)	(63,506)
Reserves	606,666	606,666	681,666
Invested in tangible capital assets	34,979,376	33,964,987	33,964,324
Unfinanced tangible capital assets	(175,000)	(175,000)	(175,000)
Unfinanced asset retirement obligation	(1,212,250)	(1,234,071)	(1,212,250)
	34,135,286	33,068,880	33,195,234



Corporation of the Town of Hawkesbury
Statement of operations
Waste collection
For the year ended December 31, 2024

	2024 Budget	2024 Actual	2023 Actual
	\$	\$	\$
Revenues			
Direct billings	1,129,764	1,147,634	1,251,259
User fees	-	280,953	214,042
	1,129,764	1,428,587	1,465,301
Expenses			
Waste collection	999,564	952,498	1,253,406
Recycling program	-	86,838	20,208
Interdepartmental transfers	10,200	10,200	10,200
Rolling bins	-	63,407	322,452
Other	20,000	19,038	19,810
	1,029,764	1,131,981	1,626,076
Annual surplus (deficit)	100,000	296,606	(160,775)
Accumulated (deficit) surplus, beginning of year	(84,177)	(84,177)	76,598
Accumulated surplus (deficit), end of year	15,823	212,429	(84,177)
Consists of:			
Operating	(64,057)	32,549	(164,057)
Reserves	79,880	179,880	79,880
	15,823	212,429	(84,177)