

Consolidated Financial Statements of

**THE CORPORATION OF
THE TOWN OF LASALLE**

Year ended December 31, 2024

DRAFT

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

(date)

THE CORPORATION OF THE TOWN OF LASALLE

Consolidated Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Unrestricted:		
Cash and short term investments (note 2)	\$ 98,810,718	\$ 47,661,573
Accounts receivable:		
Taxes receivable	3,876,368	3,196,354
User charges receivable	3,283,576	2,988,327
Other receivables	3,923,272	6,288,613
Long term investments (note 2)	1,115	1,115
	109,895,049	60,135,982
Restricted:		
Cash and short term investments (note 2)	23,836,940	80,947,219
Investment in Essex Power Corporation (note 3)	14,101,868	14,049,333
	37,938,808	94,996,552
	147,883,857	155,132,534
Financial Liabilities		
Accounts payable and accrued liabilities	13,040,764	10,563,095
Deferred revenue/capital deposits (note 4)	20,648,099	26,760,007
Long term debt (note 5)	34,900,621	36,947,287
Employee future benefit obligations (note 6)	27,115,687	27,599,496
	95,705,171	101,869,885
Net assets	52,128,686	53,262,649
Non-Financial Assets		
Tangible capital assets (note 7)	328,468,517	298,905,019
Other non-financial assets (note 8)	19,851,503	20,317,444
Inventory/prepaid expenses	1,585,156	1,686,777
	349,905,176	320,909,240
Commitments and contingencies (note 11, note 12)		
Accumulated surplus (note 9)	\$ 402,033,862	\$ 374,171,889

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

THE CORPORATION OF THE TOWN OF LASALLE

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 13)	2024 Actual	2023 Actual
Revenue:			
Taxation (note 10)	\$ 46,658,600	\$ 47,356,247	\$ 43,481,299
User charges	13,775,100	14,098,804	13,155,668
Government transfers:			
Provincial (note 14)	2,338,300	3,092,828	4,626,301
Federal (note 14)	1,674,100	1,934,490	5,426,963
Investment income	1,662,900	6,106,254	6,017,155
Penalties and interest	433,000	648,236	527,975
Contributions from developers and users	—	24,488,699	14,600,499
Recreation and cultural services	2,804,500	3,716,700	3,196,962
Equity income in Essex Power Corporation (note 3)	580,000	648,375	676,305
Other	3,231,600	3,934,943	3,377,533
Total revenue	73,158,100	106,025,576	95,086,660
Expenses:			
General government	9,634,400	9,645,750	9,169,932
Protection services	16,343,200	16,770,731	15,832,765
Transportation services	12,385,800	11,503,011	10,763,418
Environmental services	14,824,100	27,426,111	15,248,065
Recreation and cultural services	8,809,400	11,853,305	10,607,452
Planning and development	983,500	964,695	772,061
Total expenses	62,980,400	78,163,603	62,393,693
Annual surplus	10,177,700	27,861,973	32,692,967
Accumulated surplus, beginning of year	374,171,889	374,171,889	341,478,922
Accumulated surplus, end of year	\$ 384,349,589	\$ 402,033,862	\$ 374,171,889

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

THE CORPORATION OF THE TOWN OF LASALLE

Consolidated Statement of Change in Net Assets

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 13)	2024 Actual	2023 Actual
Annual surplus	\$ 10,177,700	\$ 27,861,973	\$ 32,692,967
Acquisition of tangible capital assets	(26,636,900)	(41,812,211)	(30,588,867)
Amortization of tangible capital assets	10,836,000	12,041,013	11,892,668
Proceeds from disposal of tangible capital assets	—	174,233	536,238
Loss on disposal of tangible capital assets	—	33,467	25,534
	(5,623,200)	(1,701,525)	14,558,540
Amortization of other non-financial assets	466,000	465,941	465,941
Acquisition (usage) of inventory/ prepaid expenses, net	—	101,621	(422,444)
Change in net assets	(5,157,200)	(1,133,963)	14,602,037
Net assets, beginning of year	53,262,649	53,262,649	38,660,612
Net assets, end of year	\$ 48,105,449	\$ 52,128,686	\$ 53,262,649

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

THE CORPORATION OF THE TOWN OF LASALLE

Consolidated Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 27,861,973	\$ 32,692,967
Items not involving cash:		
Amortization of tangible capital assets	12,041,013	11,892,668
Amortization of other non-financial assets	465,941	465,941
Contributed tangible capital assets from developers	(12,449,337)	(13,117,245)
Loss on disposal of tangible capital assets	33,467	25,534
Change in employee future benefit obligations	(483,809)	356,712
Equity income of Essex Power Corporation	(648,375)	(676,305)
Change in non-cash assets and liabilities:		
Taxes receivable	(680,014)	(647,068)
User charges receivable	(295,249)	(243,886)
Other receivables	2,365,341	(2,622,077)
Accounts payable and accrued liabilities	2,477,669	(68,593)
Inventory/prepaid expenses	101,621	(422,444)
	30,790,241	26,922,780
Capital activities:		
Proceeds from disposal of tangible capital assets	174,233	536,238
Cash used to acquire tangible capital assets	(29,362,874)	(17,471,622)
	(29,188,641)	(16,935,384)
Investing activities:		
Dividend received from Essex Power Corporation	595,840	587,195
Financing activities:		
Increase (decrease) in deferred revenue/capital deposits	(6,111,908)	899,233
Repayments related to long term debt	(2,046,666)	(1,967,792)
	(8,158,574)	(1,068,559)
Increase (decrease) in cash position	(5,961,134)	9,506,032
Cash and short term investments, beginning of year	128,608,792	119,102,760
Cash and short term investments, end of year (note 2)	\$ 122,647,658	\$ 128,608,792

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

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements

Year ended December 31, 2024

The Corporation of the Town of LaSalle (the "Town") is a municipality in the Province of Ontario incorporated in 1991 and operates under the provisions of the Municipal Act. Prior to 1991, the municipality was known as the Township of Sandwich West.

1. Significant accounting policies:

The consolidated financial statements of the Town are prepared by management in accordance with Canadian public sector accounting standards ("PSAS"). Significant accounting policies adopted by the Town are as follows:

(a) Basis of consolidation:

(i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Town and which are owned or controlled by the Town except for the Town's government business enterprise, Essex Power Corporation ("EPC"), which is accounted for on the modified equity basis of accounting.

Excluded from the reporting entity are activities related to The River Canard Park as well as several other small Committees of Council, all of which are administered by the Town and reported on separately.

Interdepartmental transactions and balances have been eliminated.

(ii) Investment in EPC:

The Town's investment in EPC is accounted for on a modified equity basis, consistent with Canadian public sector accounting standards for investments in Government Business Enterprises. Under the modified equity basis, Government Business Enterprise's accounting policies are not adjusted to conform with those of the municipality and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual income or loss of EPC in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the Town receives from EPC are reflected as reductions in the investment asset account.

(iii) Accounting for county and school boards transactions:

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the county and the school boards are not reflected in these consolidated financial statements. Amounts due to / from county or school boards are reported on the statement of financial position as accounts receivable / payable.

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(b) Basis of accounting:

The Town follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of an obligation to pay.

(c) Restricted assets:

Restricted assets consist of cash, short term investments, long term investments and interest receivable which are associated with deferred revenue / capital deposit accounts and reserve funds, of which their use is limited by Provincial or Federal legislation, regulation or third-party agreements.

(d) Investments:

Investments consist primarily of money market instruments such as government bonds and guaranteed investment certificates. Note 1(o) describes the treatment of these investments based on their type. Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(e) Employee future benefit obligations:

The cost of future benefits earned by employees is actuarially determined using the projected benefit method prorated on service and assumptions with respect to mortality and termination rates, retirement age and expected inflation rate with respect to employee benefit costs. Past service costs from plan amendments, if any, are deferred and amortized on a straight-line basis over the average remaining service period of employees active at the date of the amendment. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The actuarial gains or losses arising in a year are amortized into future years' expenses over the average remaining service period of active employees.

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They generally have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

The Town owns an interest of five million gallons per day of treatment capacity at the Lou Romano Water Treatment Plant (the "Plant"). The Plant's physical assets are owned by the City of Windsor. This asset is being amortized over the life of the Plant, which is estimated to be 60 years.

(g) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land improvements	15 - 50
Buildings and building improvements	10 - 50
Vehicles, machinery and equipment	5 - 30
Water and wastewater infrastructure	20 - 50
Roads and bridge infrastructure	12 - 50
Furniture and fixtures	15

A half year of amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Contributions of tangible capital assets

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

(i) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

(ii) Works of art and cultural and historic assets:

The Town manages and controls various works of art and non-operational historical cultural assets including artifacts, paintings and sculptures located at Town sites and public display areas. The assets are not recorded as tangible capital assets and are not amortized. These items have cultural, aesthetic, or historical value and are worth preserving perpetually.

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(g) Tangible capital assets (continued):

(iii) Interest capitalization:

The Town does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(iv) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value.

(i) Use of estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating the valuation of receivables, the carrying value of tangible capital assets and other non- financial assets, provisions for accrued liabilities and in performing actuarial valuations of employee future benefits. Actual results could differ from these estimates.

(j) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (i) an environmental standard exists
- (ii) contamination exceeds the environmental standard
- (iii) the organization is directly responsible or accepts responsibility for the liability
- (iv) future economic benefits will be given up, and
- (v) a reasonable estimate of the liability can be made

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(k) Government transfers:

Government transfer payments are recognized in the financial statements in the year in which the payment is authorized and the events giving rise to the transfer occur, performance criteria are met, and a reasonable estimate of the amount can be made. Funding that is stipulated to be used for specific purposes is only recognized as revenue in the fiscal year that the related expenses are incurred or services performed. If the funding is received for which the related expenses have not yet been incurred or services performed, these amounts are recorded as deferred revenue at year end.

(l) Taxation and related revenue:

Property tax bills are prepared by the Town based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by the Town Council, incorporating amounts to be raised for local services.

Taxation revenue and taxes receivable are recognized when they meet the definition of an asset, the tax is authorized and a taxable event has occurred. Property assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known.

The Town is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.

(m) Other revenue:

Other revenues from transactions with performance obligations, for example, fees or receipts from the sale of goods or rendering of services, are recognized as the Town satisfies a performance obligation by providing the promised goods or services to the payor. Amounts received prior to the end of the year that will be recognized in subsequent fiscal years are deferred and reported as a liability.

(n) Related party disclosures:

The Town defines related party and provides disclosure requirements, in accordance with the relevant standard. Disclosure is only required when the transactions or events between related parties occur at a value different from what would have been recorded if they were not related and the transactions could have a material financial impact on the financial statements. The Town also discloses related party transactions that have occurred where no amounts have been recognized.

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(o) Inter-entity transactions:

Transactions undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length are recorded at the exchange amount. Transfers of an asset or liability at nominal or no consideration is recorded by the provider at the carrying amount and the recipient has the choice of using either the carrying amount or fair value. Cost allocations are reported using the exchange amount and revenues and expenses are reported on a gross basis. Unallocated costs for the provision of goods or services may be recorded by the recipient at the carrying amount or fair value unless otherwise dictated by policy, accountability structure or budget practice.

(p) Financial instruments:

Financial Instruments are classified into three categories: fair value, amortized cost or cost. Portfolio investments reported at fair value consist of equity instruments and any other investments where the investments are managed and evaluated on a fair value basis and the fair value option is elected. The Town has not elected to measure any financial instruments at fair value.

Other financial instruments, including cash and cash equivalents, accounts receivable, loans receivable, and accounts payable and accrued liabilities are initially recorded at their fair value and are subsequently measured at cost or amortized cost, net of any provisions for impairment.

Amortized cost is measured using the effective interest rate method, as opposed to the straight-line method.

Fair value category: The Town manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and related balances reversed from the Statement of Remeasurement Gains and Losses. No Statement of Remeasurement Gains and Losses has been presented as there are no significant items to record therein.

Amortized cost: Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category.

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(q) Asset retirement obligations:

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

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

The liability for closure of operational sites and post-closure has been recognized based on estimated future expenses. An additional liability for the removal of asbestos and other hazardous materials in several of the buildings owned by the Town has also been recognized based on estimated future expenses.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the accounting policies outlined in this note.

In addition, the Town's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

(r) Future accounting pronouncements:

These standards and amendments were not yet effective for the year ended December 31, 2024, and have therefore not been applied in preparing these financial statements.

Management is currently assessing the impact of the following accounting standards updates on the future financial statements.

Applicable for the fiscal years beginning on or after April 1, 2026 (in effect for the Town for the year ending December 31, 2027). Standards must be implemented at the same time:

(i) New Public Sector Accounting Standards (PSAS) Conceptual Framework:

This new model is a comprehensive set of concepts that underlie and support financial reporting. It is the foundation that assists:

- Preparers to account for items, transactions and other events not covered by standards;
- Auditors to form opinions regarding compliance with accounting standards;
- Users in interpreting information in financial statements; and
- Public Sector Accounting Board (PSAB) to develop standards grounded in the public sector environment.

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(r) Future accounting pronouncements (continued):

The main changes are:

- Additional guidance to improve understanding and clarity
- Non-substantive changes to terminology/definitions
- Financial statement objectives foreshadow changes in the Reporting Model
- Relocation of recognition exclusions to the Reporting Model
- Consequential amendments throughout the Public Sector Accounting Handbook

The framework is expected to be implemented prospectively.

(ii) Reporting Model – PS1202 – Financial Statement Presentation

This reporting model provides guidance on how information should be presented in the financial statements and will replace PS 1201-Financial Statement Presentation. The model is expected to be implemented retroactively with restatement of prior year amounts.

The main changes are:

- Restructured Statement of Financial Position
- Introduction of financial and non-financial liabilities
- Amended non-financial asset definition
- New components of net assets-accumulated other and issued share capital
- Relocated net debt to its own statement
- Renamed the net debt indicator
- Revised the net debt calculation
- Removed the Statement of Change in Net Debt
- New Statement of Net Financial Assets/Liabilities
- New Statement of Changes in Net Assets/Liabilities
- Isolated financing transaction in the Cash Flow Statement

(s) Change in accounting policy – adoption of new accounting standards:

The Town adopted the following standards concurrently beginning January 1, 2024: PS 3160 Public Private Partnerships, PS 3400 Revenue and adopted PSG-8 Purchased Intangibles prospectively.

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(s) Change in accounting policy – adoption of new accounting standards (continued):

- (i) PS 3160 Public Private Partnerships (P3s) provides specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. As a result of applying the Public Private Partnership accounting standard it was identified that this accounting standard did not affect the Town and therefore no adjusting entries occurred.
- (ii) PS 3400 Revenue establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as nonexchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred. For 2024, the year of transition, based on an evaluation of the Town's revenue transactions, no adjustment to opening balances was required.
- (iii) PSG-8 Purchased Intangibles provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act. No such transactions were identified by the Town.

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

2. Cash and investments:

	2024	2023
Unrestricted assets:		
Cash	\$ 98,810,718	\$ 47,661,573
Long term investments	1,115	1,115
	98,811,833	47,662,688
Restricted assets:		
Cash	23,836,940	80,595,552
Short term investments	-	351,667
	23,836,940	80,947,219
Essex Power Corporation (note 3)	14,101,868	14,049,333
	\$ 136,750,641	\$ 142,659,240
Cash and short term investments:		
Unrestricted	\$ 98,810,718	\$ 47,661,573
Restricted	23,836,940	80,947,219
	\$ 122,647,658	\$ 128,608,792

3. Investment in EPC:

(a) Incorporation of EPC:

On May 30th, 2000, the Town along with the Towns of Amherstburg, Leamington and Tecumseh substantially transferred all of the assets, liabilities and operations of their respective Hydro-Electric Systems to Essex Power Corporation (EPC). EPC is a holding company which wholly owns three subsidiaries: Essex Power Lines Corporation (EPLC), Essex Power Services Corporation and Essex Energy Corporation. EPC and its subsidiaries have been established by the respective Town Councils to own and manage the operations of the collective Hydro-Electric System.

The value of net assets transferred to EPC from the Town on May 30, 2000 was \$11,491,728 and was recorded as other revenue on the "Consolidated Statement of Operations". In consideration for such transfer, EPC originally issued to the Town the following:

Promissory notes (from EPLC)	\$ 5,245,401
25% voting common shares (in EPC)	2,678,178
44% non-voting common shares (in EPC)	3,568,149
	\$ 11,491,728

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

3. Investment in EPC (continued):

(b) Investment in EPC:

The investments in EPC and EPLC are included in the restricted long term investments on the "Consolidated Statement of Financial Position" and consist of the following as at December 31st: The Town owns 33.25% of EPC.

	2024	2023
Voting common shares	\$ 2,678,178	\$ 2,678,178
Non-voting common shares	3,568,149	3,568,149
Non-voting special shares	253,260	253,260
Attributable gains to date, net of dividends received	7,602,281	7,549,746
	\$ 14,101,868	\$ 14,049,333

(c) Supplementary information:

The following table provides condensed supplementary information for EPC.

	As at December 31, 2024	As at December 31, 2023
Financial Position		
Current assets	\$ 22,821,000	\$ 23,320,000
Capital assets	90,126,000	85,190,000
Other assets	11,879,000	11,549,000
Total assets	124,826,000	120,059,000
Regulatory balances	8,200,000	8,814,000
Total assets and regulatory balances	\$ 133,026,000	\$ 128,873,000
Current liabilities	\$ 25,083,000	\$ 21,316,000
Long term liabilities	58,822,000	59,837,000
Total Liabilities	83,905,000	81,153,000
Equity	44,169,000	44,198,000
Total liabilities and equity	128,074,000	125,351,000
Regulatory balances	4,952,000	3,522,000
Total liabilities, equity and regulatory balances	\$ 133,026,000	\$ 128,873,000

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

3. Investment in EPC (continued):

(c) Supplementary information (continued):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Result from Operations		
Revenue	\$ 108,621,000	\$ 100,321,000
Operating expenses	102,786,000	92,162,000
Income from operations	5,835,000	8,159,000
Other expenses	1,665,000	2,065,000
Net income	4,170,000	6,094,000
Net movement in regulatory balances, net of tax	(2,014,000)	(3,875,000)
Net income for the year and net movement in regulatory balances	2,156,000	2,219,000
Other comprehensive income	(16,000)	21,000
Total comprehensive income for the year	\$ 2,140,000	\$ 2,240,000

For the year ended December 31, 2024, the Town's proportionate share of the comprehensive income was \$648,375 (\$676,305 in 2023) and has been reflected in the Consolidated Statement of Operations. The change in the investment in EPC includes both the share of comprehensive income and the common share dividends received of \$595,840 (\$587,195 in 2023). Dividends received on special shares of \$17,729 (\$17,729 in 2023) are included in investment income.

(d) Related party transactions

During fiscal 2024, the Town received \$595,840 in common share dividends from EPC (\$587,195 in 2023).

During fiscal 2024, the Town paid \$1,557,267 to EPC for services provided (\$1,312,700 in 2023).

e) International Financial Reporting Standards ("IFRS")

EPC's financial statements have been prepared on a going-concern basis in accordance with IFRS Accounting Standards.

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

4. Deferred revenue/capital deposits:

The balance of deferred revenue/capital deposits consist of:

	2024	2023
Development charges	\$ 10,252,092	\$ 18,481,557
Canada Community-Building Fund	4,528,039	2,664,767
Provincial gas tax/transit	20,364	289,349
OCIF	2,802,769	2,890,108
Parkland dedication	1,477,148	1,196,883
Grants	124,950	—
Culture and recreation	1,033,131	885,664
Property tax prepayments	388,520	327,942
Other	21,086	23,737
	\$ 20,648,099	\$ 26,760,007
	2024	2023
Contributions received:		
Contribution from developers	\$ 2,891,137	\$ 2,177,828
Contribution from others	7,674,029	5,286,652
Gas tax funding	1,670,337	1,895,082
OCIF formula-based funding	1,310,667	1,541,961
Contributions from property tax payors	388,520	327,942
Investment income	1,541,554	1,700,573
	15,476,244	12,930,038
Deferred revenue/capital deposits included in revenue	(21,588,152)	(11,702,863)
Net change in deferred revenue/capital deposits	(6,111,908)	1,227,175
Deferred revenue/capital deposits, beginning of year	26,760,007	25,532,832
Deferred revenue/capital deposits, end of year	\$ 20,648,099	\$ 26,760,007

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

5. Long term debt:

(a) Long term debt outstanding:

	2024	2023
New municipal facilities 3.83% debenture, repayable in combined semi-annual payments of principal and interest of \$562,630, maturing in 2038	\$ 11,775,604	\$ 12,430,973
Riverfront park 2.74% debenture, repayable in combined semi-annual payments of principal and interest of \$277,575, maturing in 2044	8,504,343	8,819,973
Vollmer complex 4.81% debenture, repayable in combined semi-annual payments of principal and interest of \$419,456, maturing in 2028	2,672,949	3,358,465
Sanitary sewage treatment capacity 5.1% debenture, repayable in combined semi-annual payments of principal and interest of \$205,977, maturing in 2048	5,604,076	5,725,556
Waterfront skate trail and water feature 3.13% debenture, repayable in combined semi-annual payments of principal and interest of \$236,775, maturing in 2042	6,343,649	6,612,320
	34,900,621	36,947,287
The responsibility for payment of principal and interest charges for tile drainage loans has been assumed by individuals (maturing in 2026 and 2032). These amounts are not recorded on the consolidated statement of financial position	37,935	42,844
	\$ 34,938,556	\$ 36,990,131

(b) Long term debt principal repayments:

Within one year	\$ 2,128,835
Within two years	2,214,439
Within three years	2,303,627
Within four years	1,977,099
Within five years	1,623,967
Thereafter	24,652,654
	\$ 34,900,621

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

5. Long term debt (continued):

(c) Charges relating to long term debt:

	2024	2023
Principal paid	\$ 2,046,667	\$ 1,967,792
Interest paid	1,358,160	1,437,035
	\$ 3,404,827	\$ 3,404,827

(d) Debt capacity limit:

The Municipal Act establishes debt limits, which include both interest and principal payments, as defined in Ontario regulation 403/02. The debt limit is calculated at 25% of net operating revenues. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs and Housing. These thresholds are a conservative guideline used by the Ministry to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the consolidated financial statements must be interpreted as a whole.

	2024	2023
Debt repayment limit (25% of net operating revenues)	\$ 15,651,600	\$ 14,452,364
Net debt charges	3,168,052	2,931,277
Remaining available debt repayment limit	\$ 12,483,548	\$ 11,521,087

6. Employee future benefit obligations and other liabilities:

(a) Pension agreements:

The Town makes contributions on behalf of members of its staff to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan. 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 multi-employer plan is valued on a current market basis for all plan assets.

During the year, the Town paid \$2,192,008 (\$2,003,077 in 2023) in contributions towards the OMERS plan and are recorded in the statement of operations and accumulated surplus.

At December 31, 2024, the OMERS plan is in an actuarial deficit position, which is being addressed through rate contributions and benefit reductions. Depending on an individual's normal retirement age and pensionable earnings, 2024 contribution rates were 9.0% and 14.6% (2023 - 9.0% and 14.6%).

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

6. Employee future benefit obligations and other liabilities (continued):

(a) Pension agreements (continued):

The last available report for the OMERS plan was on December 31, 2024. At that time, the plan reported a \$2.9 billion actuarial deficit (2023 - \$4.2 billion), based on actuarial liabilities of \$140.8 billion (2023 - \$134.6 billion) and actuarial assets of \$137.9 billion (2023 - \$130.4 billion). If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions will be required in the future.

(b) Future benefit obligations:

Employee benefit liabilities are future obligations of the Town to its employees and retirees for benefits earned but not taken as of December 31.

	2024	2023
Post retirement benefits	\$ 26,380,627	\$ 26,894,122
Accrued sick leave	673,140	643,454
WSIB future benefit costs	61,920	61,920
	<u>\$ 27,115,687</u>	<u>\$ 27,599,496</u>

(i) Post-retirement benefits:

The post-retirement benefits liability is based on an actuarial valuation performed by the Town's actuaries. The valuation and measurement date used by the actuaries is December 31, 2024. The significant actuarial assumptions adopted in estimating the Town's liability are as follows:

Long term discount rate	4.4% (4.5% in 2023)
Trend rates:	Dental - 3% per annum (3% in 2023)
	Health care - 5.7% per annum in 2024, decreasing to an ultimate rate of 3.57% in 2040
Estimated remaining service life	14.7 years

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

6. Employee future benefit obligations and other liabilities (continued):

(b) Future benefit obligations (continued):

(i) Post-retirement benefits (continued):

Information about the Town's future obligations with respect to these costs is as follows:

	2024	2023
Opening balance	\$ 26,894,122	\$ 27,212,630
Annual expense:		
Cost of benefits	405,731	369,529
Net amortization of actuarial losses	(1,141,275)	(897,199)
Interest	777,749	757,762
Benefits paid	(555,700)	(548,600)
Closing balance	\$ 26,380,627	\$ 26,894,122

	2024	2023
Accrued benefit obligation	\$ 16,991,443	\$ 17,155,427
Unamortized net actuarial gains	9,389,184	9,738,695
Closing balance	\$ 26,380,627	\$ 26,894,122

The Town's post-retirement benefit obligations are unfunded.

(ii) Accrued sick leave:

Under the terms of contract settlements in 1995, employees can only receive lump sum cash payments for those days accumulated in excess of the maximum sick leave bank entitlement. The cash value of 50% of the excess accumulation is to be paid to each employee at the beginning of the following year. The days accumulated up to the sick leave bank maximum entitlement have no cash value, however, represents a future liability to the municipality.

As of November 30, 2013, the sick leave bank entitlement was frozen. The frozen sick leave banks must be drawn upon before using the annual sick leave entitlement.

(iii) WSIB future benefit costs:

The estimated liability for WSIB future benefit costs is \$61,920 (\$61,920 in 2023).

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements

Year ended December 31, 2024

7. Tangible capital assets:

Cost	Balance at December 31, 2023	Additions	Disposals	Transfers	Balance at December 31, 2024
Land	\$ 52,470,946	\$ 2,887,655	\$ (88,480)	\$ 1,106,338	\$ 56,376,459
Land improvements	15,769,232	204,090	(267,133)	849,292	16,555,481
Buildings and building improvements	65,020,870	63,661	—	452,334	65,536,865
Vehicles, machinery and equipment	22,971,091	2,212,981	(1,585,288)	529,652	24,128,436
Water and wastewater infrastructure	161,308,934	7,985,020	(225,503)	8,626,964	177,695,415
Roads and bridge infrastructure	130,897,694	3,770,136	(183,810)	1,303,889	135,787,909
Furniture and fixtures	2,843,561	39,211	—	16,639	2,899,411
Assets under construction	23,065,794	24,649,457	—	(12,885,108)	34,830,143
Total	\$ 474,348,122	\$ 41,812,211	\$ (2,350,214)	\$ —	\$ 513,810,119

Accumulated amortization	Balance at December 31, 2023	Disposals	Amortization expense	Balance at December 31, 2024
Land	\$ —	\$ —	\$ —	\$ —
Land improvements	9,461,069	(235,245)	834,305	10,060,129
Buildings and building improvements	25,666,813	—	2,145,824	27,812,637
Vehicles, machinery and equipment	13,874,418	(1,548,032)	1,440,543	13,766,929
Water and wastewater infrastructure	62,572,462	(187,980)	3,639,033	66,023,515
Roads and bridge infrastructure	62,461,459	(171,257)	3,780,486	66,070,688
Furniture and fixtures	1,406,882	—	200,822	1,607,704
Total	\$ 175,443,103	\$ (2,142,514)	\$ 12,041,013	\$ 185,341,602

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

7. Tangible capital assets (continued):

	Balance at December 31, 2023	Balance at December 31, 2024
Net book value		
Land	\$ 52,470,946	\$ 56,376,459
Land improvements	6,308,163	6,495,352
Buildings and building improvements	39,354,057	37,724,228
Vehicles, machinery and equipment	9,096,673	10,361,507
Water and wastewater infrastructure	98,736,472	111,671,900
Roads and bridge infrastructure	68,436,235	69,717,221
Furniture and fixtures	1,436,679	1,291,707
Assets under construction	23,065,794	34,830,143
Total	\$ 298,905,019	\$ 328,468,517

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements

Year ended December 31, 2024

8. Other non-financial assets:

Other non-financial assets represent an interest of five million gallons per day of treatment capacity at the Lou Romano Water Treatment Plant (the "Plant").

	2024	2023
Balance, cost	\$ 27,679,629	\$ 27,679,629
Less - Accumulated amortization	(7,828,126)	(7,362,185)
Balance, net	\$ 19,851,503	\$ 20,317,444

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

9. Accumulated surplus:

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

	2024	2023
Surplus:		
Invested in tangible capital assets	\$ 299,171,972	\$ 267,683,287
Invested in other non-financial assets	14,247,427	14,591,888
Other	(6,789,212)	(135,021)
Unfunded employee future benefit obligations	(27,115,687)	(27,599,496)
Total surplus	279,514,500	254,540,658
Reserve funds set aside by Council:		
Building activity	1,196,576	1,094,428
Essex Power equity	13,848,608	13,796,073
Total reserve funds	15,045,184	14,890,501
Reserves set aside for specific purpose by Council:		
Tax stabilization	4,769,920	4,783,503
Working capital	986,839	836,388
Facility capital	6,367,181	3,131,824
Insurance	412,898	408,976
Strategic planning	1,695,456	1,615,547
Technology	193,507	196,072
LaSalle green space/woodlot	922,820	814,889
Accessibility projects	985,181	855,399
HR / Health & Safety	104,418	64,418
Election	111,875	77,773
Fire	167,125	1,834,760
Police	(156,140)	120,016
Fleet	1,055,109	1,020,448
Roads network	19,015,164	16,419,505
Asset replacement/repair	7,380,374	5,037,459
Drains & storm water management	14,124,473	11,880,553
Sidewalks/trails/streetlights/driveways	420,178	182,374
Fuel system	202,089	178,310
Transit	353,006	471,579
Culture & recreation	893,183	741,334
Parks & parkland works	31,796	445,396
Vollmer Centre	885,786	682,991
Waterfront	1,848,347	4,030,099
Planning projects	213,830	197,990
Sewer projects	10,461,462	11,827,547
Water projects	11,878,764	14,650,436
Water emergency	1,500,000	1,500,000
DC projects-Nongrowth	19,472,408	19,574,803
Developer contributions	1,177,129	1,160,341
Total reserves	107,474,177	104,740,730
	\$ 402,033,862	\$ 374,171,889

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

10. Taxation revenue:

Taxation revenue, reported on the Consolidated Statement of Operations and Accumulated Surplus, is made up of the following:

	2024	2023
Residential and farm taxes	\$ 72,242,464	\$ 66,654,583
Commercial, industrial and business taxation	6,053,338	5,813,533
Taxation from other governments	57,420	55,421
	78,353,222	72,523,537
Requisitions to County and School Boards	(30,996,975)	(29,042,238)
Net property taxes and payment-in-lieu available for municipal purposes	\$ 47,356,247	\$ 43,481,299

11. Commitments:

(a) Ontario Clean Water Agency:

The Town has entered into an agreement with the Ontario Clean Water Agency ("Agency") (formerly Ministry of the Environment) for the construction, financing and operation of a sanitary sewage system to service certain areas of the municipality. The Town was obligated to reimburse the Agency for the costs of the project through the imposition and collection of frontage and connection charges and a sewage service rate to the users. At December 31, 1996, the construction of the system was complete.

In 2024, the Town paid \$492,668 (\$365,812 in 2023) to the Agency for the operation and maintenance of its sanitary sewer system, which is reflected in the Town's "Consolidated Statement of Operations and Accumulated Surplus".

(b) The Corporation of the City of Windsor:

In 1974, the Town entered into an agreement with the Corporation of the City of Windsor ("the City") for the processing and disposal of the sewage from the sanitary sewage system. The costs of processing the sewage are based on the Town's proportionate share of the operating and administrative costs of the Lou Romano Water Reclamation Plant.

The City of Windsor invoices for these charges on a quarterly basis and these charges which totaled \$1,121,352 (\$1,046,654 in 2023) are reflected in the Town's "Consolidated Statement of Operations and Accumulated Surplus".

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

11. Commitments (continued):

(c) Disaster Mitigation and Adaptation Fund:

In 2020, the Town was successful in its grant application to the Government of Canada's Disaster Mitigation and Adaptation Fund (DMAF), a national merit-based program that supports large-scale infrastructure projects. The project will replace the Town's gravity-based storm outlets along Front Road with five strategically located new storm water pumping stations. These new pumping stations will work independently during minor rain events and will work together in instances of major rain events or overland flooding. The project will also include the installation of one new permanent emergency sanitary bypass pump at Lasalle's main sanitary pump station. The overall cost of the project is anticipated to be \$37,100,000, with funding from the Government of Canada totaling \$14,840,000 and the Town's contribution of \$22,260,000 over a period extending to 2028. The Town has received \$2,883,107 in federal funds towards eligible project costs of \$6,895,392 to date.

12. Contingent liabilities:

During the normal course of operations, the Town is subject to various legal actions. The settlement of these actions is not expected to have a material effect on the consolidated financial statements of the Town.

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

13. Budget data:

Budget data presented in these consolidated financial statements are based upon the 2024 operating and capital budgets approved by Council. The Town does not budget for amortization and employee future benefits and, as a result, amortization and employee future benefits is included based on actual cost. Also, the Town does not budget for developer contributions. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget Amount
Revenue:	
Operating	\$ 73,239,400
Capital	26,636,900
Less:	
Transfers from other funds	(26,718,200)
	73,158,100
Expenses:	
Operating	73,239,400
Capital	26,636,900
Less:	
Transfers to other funds	(19,913,800)
Capital expenses	(26,636,900)
Debt principal payments	(2,046,700)
Add:	
Employee future benefits obligation expense	399,500
Amortization of tangible capital assets	10,836,000
Amortization of non-financial assets	466,000
Total expenses	62,980,400
Annual Surplus	\$ 10,177,700

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

14. Government transfers:

The town recognizes the transfer of government funding as expenses or revenues in the period that the events giving rise to the transfer occurred. The government transfers reported on the consolidated statement of operations are:

	2024 Budget	2024 Actual	2023 Actual
Revenue:			
Provincial grants:			
Provincial offences	\$ 45,000	\$ 125,000	\$ 87,695
OCIF formula-based grant	1,645,100	1,564,343	476,772
Provincial gas tax	285,000	281,000	296,163
Policing	305,000	450,519	897,632
Rural Economic Development grant	—	26,074	42,210
Municipal Modernization Program	—	-	36,621
ICIP: Public Transport	—	592,084	2,391,008
Ontario Trillium Fund	—	-	398,200
Drainage Act	58,200	45,578	—
Fire Protection	—	8,230	—
	2,338,300	3,092,828	4,626,301
Federal grants:			
Canada Community Building Fund	1,674,100	—	4,674,648
Recreation Services	—	58,184	44,060
National Disaster Mitigation Program	—	20,020	—
Disaster Mitigation and Adaptation Fund	—	1,856,286	708,255
	1,674,100	1,934,490	5,426,963
Total revenue	\$ 4,012,400	\$ 5,027,318	\$ 10,053,264

15. Financial Risks and concentration of risk:

As the valuation of all financial instruments held by the Town's at fair value are derived from quoted prices in active markets, all would be in Level 1 of the fair value hierarchy.

Risks arising from financial instruments and risk management

The Town is exposed to a variety of financial risks including credit risks, liquidity risk and market risk. the Town's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on The Town's financial performance.

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

15. Financial Risks and concentration of risk (continued):

(a) Credit risk:

The Town's principal financial assets that are subject to credit risk are cash and accounts receivable. The carrying amounts of financial assets on the Statement of Financial Position represent The Town's maximum credit exposure as at the Statement of Financial Position date.

(b) Market risk:

The Town is exposed to interest rate risk and price risk regarding its short and long-term investments, all of which are regularly monitored. The Town's financial instruments consist of cash, accounts receivable, investments, and accounts payable and accrued liabilities. It is the Town's opinion that the Town is not exposed to significant interest rate or currency risks arising from these financial instruments except as otherwise disclosed.

(c) Liquidity risk:

The Town mitigates liquidity risk by monitoring cash activities and expected outflows through extensive budgeting. Accounts payable and accrued liabilities are all current. There have been no significant changes from the previous year in the Town's exposure to liquidity risk or policies, procedures and methods used to measure the risk.

2024		Contractual cash flows			
Description	Carrying value	Within 1 year	1-5 years	>5 years	Total
Accounts payable and accrued liabilities	\$ 13,040,764	\$ 13,040,764	\$ —	\$ —	\$ 13,040,764
Long term debt	34,900,621	2,271,329	9,378,216	23,251,076	34,900,621
Long term liabilities	—	—	—	—	—
	\$ 47,941,385	\$ 15,312,093	\$ 9,378,216	\$ 23,251,076	\$ 47,941,385

2023		Contractual cash flows			
Description	Carrying value	Within 1 year	1-5 years	>5 years	Total
Accounts payable and accrued liabilities	\$ 10,563,095	\$ 10,563,095	\$ —	\$ —	\$ 10,563,095
Long term debt	36,947,287	2,046,667	8,623,999	26,276,21	36,947,287
Long term liabilities	—	—	—	—	—
	\$ 47,510,382	\$ 12,609,762	\$ 8,623,999	\$ 26,276,621	\$ 47,510,382

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

16. Segmented information:

The Town is a lower tier municipality that provides a wide range of services to its citizens, including police, fire, water and many others. These services are provided by departments of the Town and their activities are reported by segment in these statements.

For each reportable segment, the Town has reported expenses that represent both amounts that are directly attributable and amounts that are allocated on a reasonable basis. Revenues have not been presented by segment based on their nature and instead are shown by object.

The Town's reportable segments and their associated activities are as follows:

(i) General government:

General government is comprised of levy revenue, council, council services, finance and administration activities

(ii) Protection services:

Protection services are comprised of Police, Fire and Protective Inspection activities

(iii) Transportation services:

Transportation services are comprised of roadway maintenance and winter control activities

(iv) Environmental services:

Environmental services are comprised of water, sanitary and storm sewers, solid waste collection and disposal and recycling

(v) Recreation and cultural services:

Recreational and cultural services are comprised of parks, cultural activities and recreation facilities

(vi) Planning and development:

Planning and development is comprised of planning and zoning, commercial and industrial

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

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

16. Segmented information (continued):

2024

	General Government	Protection Services	Transportation Services	Environmental Services	Recreation & Cultural Services	Planning & Development	Total
Revenue:							
Taxation	\$ 8,360,081	\$ 16,152,439	\$ 7,384,193	\$ 2,633,727	\$ 11,853,305	\$ 972,502	\$ 47,356,247
User charges	36,183	1,051,373	53,141	12,958,107	—	—	14,098,804
Government transfers:							
Provincial	1,715,418	458,747	326,578	592,085	—	—	3,092,828
Federal	20,020	—	9,274	1,856,286	48,910	—	1,934,490
Investment income	5,350,054	—	—	756,200	—	—	6,106,254
Penalties and interest on billings	594,118	—	—	54,118	—	—	648,236
Contributions from developers and users	797,219	—	1,327,013	19,413,915	2,950,552	—	24,488,699
Recreation and cultural services revenues	—	—	—	—	3,716,700	—	3,716,700
Equity income in Essex Power Corporation	648,375	—	—	—	—	—	648,375
Other	2,173,562	268,610	1,404,237	(37,523)	26,042	100,015	3,934,943
Total revenue	19,695,030	17,931,169	10,504,436	38,226,915	18,595,509	1,072,517	106,025,576
Expenses:							
Salaries, wages and employee benefits	5,598,942	13,307,228	3,494,504	1,061,149	5,180,542	780,415	29,422,780
Administrative expenses	1,375,149	462,186	480,770	290,474	522,325	48,801	3,179,705
Personnel expenses	171,463	396,422	128,729	—	42,377	17,790	756,781
Facility expenses	629,802	297,510	199,319	28,686	1,544,866	—	2,700,183
Vehicle/equipment expenses	—	388,484	565,599	11,381	277,117	—	1,242,581
Program services	936,593	1,239,232	2,541,674	22,198,935	1,786,437	117,689	28,820,560
Amortization expense	933,801	679,669	4,092,415	3,835,486	2,499,641	—	12,041,013
Total expenses	9,645,750	16,770,731	11,503,010	27,426,111	11,853,305	964,695	78,163,603
Surplus (deficit)	\$ 10,049,280	\$ 1,160,438	\$ (998,574)	\$ 10,800,804	\$ 6,742,204	\$ 107,822	\$ 27,861,973

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

16. Segmented information (continued):

2023

	General Government	Protection Services	Transportation Services	Environmental Services	Recreation & Cultural Services	Planning & Development	Total
Revenue:							
Taxation	\$ 8,051,304	\$ 15,201,032	\$ 6,327,131	\$ 2,532,189	\$ 10,607,452	\$ 762,191	\$ 43,481,299
User charges	42,363	865,560	46,112	12,201,633	—	—	13,155,668
Government transfers:							
Provincial	180,214	923,944	612,935	2,512,444	396,764	—	4,626,301
Federal	—	—	895,846	708,255	3,822,862	—	5,426,963
Investment income	5,838,316	—	—	178,839	—	—	6,017,155
Penalties and interest on billings	473,132	—	—	54,843	—	—	527,975
Contributions from developers and users	2,199,620	—	6,333,295	6,001,134	66,450	—	14,600,499
Recreation and cultural services revenues	—	—	—	—	3,196,962	—	3,196,962
Equity income in Essex Power Corporation	676,305	—	—	—	—	—	676,305
Other	1,662,266	128,127	1,423,868	(39,622)	126,894	76,000	3,377,533
Total revenue	19,123,520	17,118,663	15,639,187	24,149,715	18,217,384	838,191	95,086,660
Expenses:							
Salaries, wages and employee benefits	5,153,434	12,631,718	2,721,196	1,254,611	4,661,546	622,003	27,044,508
Administrative expenses	1,318,156	375,549	478,582	296,440	578,066	38,131	3,084,924
Personnel expenses	136,638	346,961	100,872	—	26,114	8,578	619,163
Facility expenses	566,791	309,773	172,641	17,580	1,414,821	—	2,481,606
Vehicle/equipment expenses	—	372,459	550,690	13,327	329,267	—	1,265,743
Program services	963,779	990,897	2,518,198	10,154,057	1,274,801	103,349	16,005,081
Amortization expense	1,031,134	805,408	4,221,239	3,512,050	2,322,837	—	11,892,668
Total expenses	9,169,932	15,832,765	10,763,418	15,248,065	10,607,452	772,061	62,393,693
Surplus (deficit)	\$ 9,953,588	\$ 1,285,898	\$ 4,875,769	\$ 8,901,650	\$ 7,609,932	\$ 66,130	\$ 32,692,967

THE CORPORATION OF THE TOWN OF LASALLE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

17. Comparative Information:

Certain comparative information has been reclassified from those previously presented to conform to the presentation of the 2024 financial statements.

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