

**The Corporation of the
Town of Ingersoll**

Consolidated Financial Statements
For the year ended December 31, 2024

**The Corporation of the Town of Ingersoll
Consolidated Financial Statements
For the year ended December 31, 2024**

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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of Ingersoll

Opinion

We have audited the consolidated financial statements of The Corporation of the Town of Ingersoll (the 'Town'), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2024, and the results of its operations, its consolidated change in net financial 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 *Auditors' Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

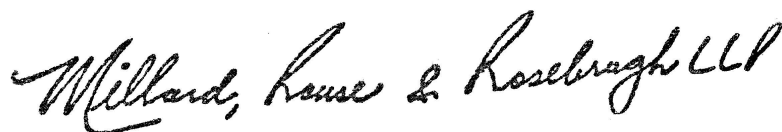
Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise

professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 Town'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 Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group as a basis for forming an opinion on the group 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.



October 6, 2025
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

The Corporation of the Town of Ingersoll
Consolidated Statement of Financial Position

For the year ended December 31

2024

2023

Financial assets

Cash and cash equivalents	\$ 24,480,859	\$ 20,980,322
Taxes receivable	1,150,084	901,839
Accounts receivable	1,689,630	797,455
Land for resale (Note 1)	2,195,747	2,407,903
Investments (Note 2)	10,500,048	8,500,048
Investment in ERTH Corporation (Note 3)	13,608,976	13,608,976
	<u>53,625,344</u>	<u>47,196,543</u>

Liabilities

Accounts payable and accrued liabilities	6,581,484	7,464,642
Employee benefits liability (Note 4)	4,901,420	4,983,525
Deferred revenue (Note 5)	4,295,014	4,273,986
Net long-term debt (Note 6)	935,995	1,243,394
Boundary adjustment liability (Note 7)	25,101,105	27,133,886
Asset retirement obligations liabilities (Note 8)	256,253	248,789
	<u>42,071,271</u>	<u>45,348,222</u>

Net financial assets (Debt)

11,554,073 1,848,321

Non-financial assets

Tangible capital assets (Note 9)	76,142,339	77,385,031
Prepaid expenses and inventories of supplies	148,432	123,277
	<u>76,290,771</u>	<u>77,508,308</u>

Accumulated surplus (Note 10)

\$ 87,844,844 \$ 79,356,629

Contingent liabilities (Note 15)

Treasurer

Mayor

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

The Corporation of the Town of Ingersoll
Consolidated Statement of Operations

For the year ended December 31	Budget 2024	2024	2023
	Note 14		
Revenue			
Taxation	\$ 17,748,443	\$ 18,206,999	\$ 16,975,200
Government grants - Federal (Note 11)	-	1,004,499	734,969
Government grants - Provincial (Note 11)	242,310	870,682	811,226
Municipal transfers	476,095	419,504	337,597
User fees and service charges	1,176,656	1,133,134	1,177,632
Income (loss) from investment in ERTH Corporation (Note 3)	-	-	959,698
Other (Note 12)	2,069,859	5,681,317	4,660,751
	<u>21,713,363</u>	<u>27,316,135</u>	<u>25,657,073</u>
Expenses			
General government	4,228,326	2,356,676	6,171,241
Protection services	4,599,656	4,478,128	4,423,467
Transportation services	5,079,654	4,859,896	4,326,879
Environmental services	748,150	776,454	750,896
Health services	203,078	183,781	170,535
Recreational and cultural services	5,867,949	5,625,921	5,144,035
Planning and development	609,755	547,064	544,740
	<u>21,336,568</u>	<u>18,827,920</u>	<u>21,531,793</u>
Annual surplus	<u>376,795</u>	<u>8,488,215</u>	<u>4,125,280</u>
Accumulated surplus, beginning of year	<u>79,356,629</u>	<u>79,356,629</u>	<u>75,231,349</u>
Accumulated surplus, end of year	<u>\$ 79,733,424</u>	<u>\$ 87,844,844</u>	<u>\$ 79,356,629</u>

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

The Corporation of the Town of Ingersoll
Consolidated Statement of Change in Net Financial Assets (Debt)

For the year ended December 31	Budget 2024	2024	2023
	Note 14		
Annual surplus	\$ 376,795	\$ 8,488,215	\$ 4,125,280
Acquisition of tangible capital assets	(6,114,000)	(5,295,349)	(8,394,593)
Amortization of tangible capital assets	3,562,703	3,572,760	3,295,808
Loss (gain) on disposal of tangible capital assets	-	2,864,557	(14,263)
Proceeds on sale of tangible capital assets	-	100,725	103,467
	<u>\$ (2,174,502)</u>	<u>\$ 9,730,908</u>	<u>\$ (884,301)</u>
Consumption (acquisition) of prepaid expenses and inventory of supplies	-	(25,156)	\$ (18,563)
Net change in net financial assets (debt)	(2,174,502)	9,705,752	(902,864)
Net financial assets (debt), beginning of year	1,848,321	1,848,321	2,751,185
Net financial assets (debt), end of year	<u>\$ (326,181)</u>	<u>\$ 11,554,073</u>	<u>\$ 1,848,321</u>

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

The Corporation of the Town of Ingersoll
Consolidated Statement of Cash Flows

For the year ended December 31

2024

2023

Operating transactions

Annual surplus	\$ 8,488,215	\$ 4,125,280
Items not involving cash		
Share of earnings, net of dividends - ERTH Corporation	-	(721,473)
Amortization	3,572,760	3,295,808
(Gain) loss on disposal of tangible capital assets	2,864,557	(14,263)
Changes in non-cash operating balances		
Taxes receivable	(248,245)	(239,729)
Accounts receivable	(892,175)	318,043
Land for resale	212,156	(2,178,067)
Prepaid expenses and inventories of supplies	(25,156)	(18,563)
Accounts payable and accrued liabilities	(883,158)	1,082,591
Employee benefits liability	(82,105)	(49,934)
Deferred revenue	21,028	28,918
Boundary adjustment liability	(2,032,781)	2,255,259
Asset retirement liability	7,464	248,789
	<u>11,002,560</u>	<u>8,132,659</u>

Capital transactions

Acquisition of tangible capital assets	(5,295,349)	(8,394,593)
Proceeds on sale of tangible capital assets	100,725	103,467
	<u>(5,194,624)</u>	<u>(8,291,126)</u>

Investing transactions

Portfolio investments	(2,000,000)	(1,000,000)
	<u>(2,000,000)</u>	<u>(1,000,000)</u>

Financing transactions

Repayment of long-term debt	(307,399)	(500,260)
	<u>(307,399)</u>	<u>(500,260)</u>

Net change in cash and cash equivalents	3,500,537	(1,658,727)
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Cash and cash equivalents, beginning of year	20,980,322	22,639,049
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Cash and cash equivalents, end of year	\$ 24,480,859	\$ 20,980,322
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The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

The Corporation of the Town of Ingersoll
Summary of Significant Accounting Policies
December 31, 2024

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

The consolidated financial statements of the Corporation of the Town of Ingersoll are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of CPA Canada. The Corporation of the Town of Ingersoll is a municipality in the Province of Ontario and operates under the provisions of the Community Charter. The Corporation of the Town of Ingersoll provides municipal services such as fire, public works, planning, parks, recreation and other general government services.

Basis of Consolidation

The consolidated statements reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and boards which are owned or controlled by the Corporation of the Town of Ingersoll.

A government partnership exists where the municipality has shared control over the board or entity. The municipality's pro-rata share of the assets, liabilities, revenues, and expenses are reflected in the financial statements using the proportionate consolidation method. All inter-entity transactions and balances have been eliminated. The following entity has been proportionately consolidated:

Ingersoll Rural Cemetery Board	87.5%
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Portfolio Investments

The portfolio investment represents 30.16% interest in EARTH Corporation, the organization that was previously accounted for as a government business enterprise. As of January 1, 2024 the carrying value of the previous investment in the government business enterprise under the modified equity method became the Town's cost of the portfolio investment. The carrying value will be reduced if the accumulated dividends received by the Town in subsequent period exceed its share of the accumulated earnings for the period. Portfolio investments are recorded at cost and are written down where there has been a loss in value that is other than a temporary decline.

**Cash and Cash
Equivalents**

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

The Corporation of the Town of Ingersoll
Summary of Significant Accounting Policies
December 31, 2024

**Tangible Capital
Assets**

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

Land Improvements	20 to 25 years
Facilities	25 to 100 years
Infrastructure	11 to 80 years
Vehicles, machinery and equipment	5 to 20 years

**Asset Retirement
Obligations**

An asset retirement obligation is recognized when, as at the financial reporting date, 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 the removal of asbestos in buildings owned by the Corporation has been recognized based on estimated future expenses on decommissioning of the building. The recognition of a liability results in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined in Note 9.

Financial Instruments

The Town's financial instruments include cash, accounts receivable, investments, accounts payable, other liabilities and long-term liabilities. All financial assets instruments are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement remeasurement. The measurement basis for cash, accounts receivable, accounts payable and other liabilities is cost. The measurement basis for investments and long-term liabilities is amortized cost. As all financial instruments are measured at cost or amortized cost, there have been no re-measurement gains or losses and the statement of remeasurement has been excluded.

The Corporation of the Town of Ingersoll
Summary of Significant Accounting Policies
December 31, 2024

**County and School
Board**

The Corporation of the Town of Ingersoll collects taxation revenue on behalf of the school boards and the County of Oxford. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these entities are not reflected in these financial statements.

Trust Funds

Trust funds held in trust by the Corporation of the Town of Ingersoll, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately.

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specific purpose.

Government Transfers

Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

**Retirement Benefits and
Other Employee
Benefit Plans**

The Corporation of the Town of Ingersoll's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred. The costs of other retirement benefits that accumulate over the period of service provided by employees are determined using the projected benefit method prorated on services based on management's best estimate.

The Corporation of the Town of Ingersoll
Summary of Significant Accounting Policies
December 31, 2024

Revenue Recognition

Taxes are recognized as revenue in the year they are levied. Taxation revenue recognized each year is adjusted for estimates for expected supplementary taxes, appeals and non-collectible taxes.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Revenues from an exchange transaction are recognized as or when the Corporation satisfies the performance obligation. Performance obligations may be satisfied at a point in time or over a period of time. Revenues from a non-exchange transaction are recognized where there is authority and a past event that gives rise to a claim of economic resources.

Use of Estimates

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

Contaminated Sites

Public Sector Accounting Board (PSAB) Section 3260 Liability for Contaminated Sites requires governments to record a liability in their financial statements if they have a contaminated site that meets the requirements set out in the standard. The standard defines contamination as the introduction into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The standard generally applies to sites that are not in productive use. Sites that are in productive use are only considered contaminated if there was an unexpected event that resulted in contamination.

The Corporation of the Town of Ingersoll

Change in Accounting Policies

December 31, 2024

PS 3400 – Revenue

On January 1, 2024, the Corporation adopted Public Accounting Standard, PS 3400 - Revenue. The new accounting standard addresses how to account for and report on revenue. This standard covers the identification, recognition, measurement, and disclosure for revenues arising from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payor.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2024

1. Land for Resale

The Land for resale is zoned for industrial purposes. The land is recorded at net realizable value which is less than cost.

During the fiscal year ending December 31, 2024, a portion of the land previously classified as "Land for resale" was sold. The net proceeds from the sale were \$5,790,057, and the carrying amount of the land sold was \$212,156. The gain on the sale of land, accounting for the cost to sell, amounted to \$5,577,900, which is included in the Consolidated Statement of Operations - Other Revenues.

2. Investments

The total investments of \$10,500,048 (2023-\$8,500,048) are recorded on the statement of financial position at cost, having a market value of \$10,998,450 (2023 -\$8,533,450). The market value represents the realizable value of the investment if they were sold on December 31, 2024. Accordingly, only realized gains and losses are recognized in the financial statements.

3. Investment in EARTH Corporation

EARTH Corporation is a corporation incorporated under the laws of the Province of Ontario. The Corporation of the Town of Ingersoll owns 30.16% (2023- 30.16%) of the outstanding shares. The investment in EARTH Corporation is comprised of the following:

	<u>2024</u>	<u>2023</u>
Promissory note receivable	\$ 4,543,500	\$ 4,543,500
Investment in common shares of EARTH Corporation	9,065,476	9,065,476
	<u>\$ 13,608,976</u>	<u>\$ 13,608,976</u>

Upon review of the agreement and corporate structure it was determined that the Town's interest in EARTH Corporation no longer represents a government business enterprise. As a result, the Town has discontinued the modified equity method as of January 1, 2024 and began accounting for the investment as a portfolio investment. The carrying value of the investment at that date became the Town's cost of its portfolio investment in EARTH Corporation. Accumulated dividends received by the Town in the subsequent periods that exceed its share of accumulated earning for the period will be applied as a reduction of the carrying value of the investment.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2024

3. Investment in ERTH Corporation (continued)

The promissory note receivable from ERTH Corporation is unsecured and bears interest at 7.25% (2023 - 7.25%). The term of the note is undefined but no principal repayments are expected within the next twelve months. Interest received in the year and included in other income is \$329,404 (2023 - \$329,404). During the year, ERTH Corporation declared, but has not yet paid, dividends totaling \$720,000 (2023 - \$790,000). The proportionate share of these dividends to be received by the Corporation of the Town of Ingersoll was \$217,116 (2023 - \$238,225).

4. Employee Benefits Liability

	Sick Leave Benefits	Post Employment Benefits	Total 2024	Total 2023
Employee Benefit Liability	\$ 56,011	\$ 4,845,409	\$ 4,901,420	\$ 4,983,525

Post-Employment Benefits

The Corporation of the Town of Ingersoll continues to provide life insurance, dental and health care benefits to certain employee groups. These benefits vary, with some groups receiving benefits after retirement until the members reach 60 or 65 years of age, where other groups receive the benefits for life. The values are based on an actuarial valuation completed August 7, 2024 and management estimates as at December 31, 2024. Employee contributions were nil (2023 -nil). The following table summarizes the valuation results and significant assumptions used in the actuarial valuation:

	2024	2023
Discount Rate	3.00%	3.00%
Rate of compensation increase	2.75%	2.75%
Healthcare cost increase	5.75%	5.75%
The benefit obligation continuity is as follows:		
Accrued benefit obligation, January 1	\$ 5,300,305	\$ 5,381,251
Current period benefit cost	31,602	30,080
Retirement interest expenditure	155,245	157,856
Benefits paid	(282,550)	(268,882)
Accrued benefit obligation, December 31	\$ 5,204,602	\$ 5,300,305
Unamortized actuarial gain/(loss)	(359,193)	(383,505)
Liability for post-retirement benefits	\$ 4,845,409	\$ 4,916,800
Post - retirement benefits expense is as follows:		
Current period benefit cost	\$ 31,602	\$ 30,080
Amortization of actuarial gains/losses	24,312	24,312
Retirement interest expense	155,245	157,856
Post-retirement benefits expense	\$ 211,159	\$ 212,248

The Corporation of the Town of Ingersoll

Notes to Consolidated Financial Statements

December 31, 2024

4. Employee Benefits Liability (continued)

No reserves or reserve funds have been established to provide for this past service liability.

Sick Leave Benefits

The Corporation of the Town of Ingersoll provides paid sick leave that can be carried forward up to a maximum defined by the employee group and may become entitled to cash payment when they leave the Town's employment. The Town has established a reserve to provide for past service liability in the amount of \$56,011 (2023 - \$66,725).

Pension Agreements

The Corporation of the Town of Ingersoll makes contributions to the Ontario Municipal Employees Retirement System (OMERS) which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on their length of service and rates of pay. The Corporation of the Town of Ingersoll paid \$563,900 (2023 - \$477,650) for employer contributions. The OMERS pension plan has a deficit. If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions will be required in the future.

5. Deferred Revenue

	Opening Balance	Contributions Received	Externally Restricted Investment Income	Revenue Recognized	Ending Balance
Canada Community- Building Fund	\$ 1,466,820	\$ 439,108	\$ 73,889	\$ (966,203)	\$ 1,013,614
Development Charges	1,442,332	128,025	79,463	(53,498)	1,596,322
Recreational Land	88,039	257,865	9,714	-	355,618
Parking	9,669	-	855	-	10,524
Provincial Gas Tax	1,172,046	55,595	53,230	(55,000)	1,225,871
Other	95,080	2,500	-	(4,515)	\$ 93,065
	<u>\$ 4,273,986</u>	<u>\$ 883,093</u>	<u>\$ 217,151</u>	<u>\$ (1,079,216)</u>	<u>\$ 4,295,014</u>

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2024

6. Net Long Term Debt

	2024	2023
Long term liabilities issued by the County of Oxford for which the Town of Ingersoll has assumed responsibility for repayment.	<u>\$ 935,995</u>	<u>\$ 1,243,394</u>

Principal repayments relating to net long term debt of \$935,995 outstanding are due as follows:

	Principal Repayments
2025	\$ 168,295
2026	85,300
2027	85,300
2028	85,300
2029	85,300
Thereafter	<u>426,500</u>
	<u>\$ 935,995</u>

The above long-term liabilities have maturity dates and interest rates ranging from 2025 to 2034 and 3.13% to 4.15% respectively.

7. Boundary Adjustment Liability - The Township of South-West Oxford

On January 1, 2021, the Corporation of the Town of Ingersoll's boundary lines were expanded to include 786 hectares of land transferred from the Township of South-West Oxford ("the Township") to the Town's jurisdiction. Using a present value technique with a current discount rate of 4.50% and an inflation rate of 2.0%, a liability is recognized for the compensation due to the Township in the amount of \$25,101,105 (2023 - \$27,133,886).

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2024

8. Asset Retirement Obligations

The Corporation of the Town of Ingersoll recognizes asset retirement obligations ("ARO") in accordance with the Canadian Public Sector Accounting Standards ("PSAS"). ARO represents the estimated future costs related to legal obligations associated with the retirement of tangible capital assets. The ARO liability is measured at its fair value, which is determined using discounted cash flow techniques. Significant assumptions used in estimating the ARO liability include the discount rate, inflation rate, future costs, and the timing of cash flows.

As at December 31, 2024, the Corporation's ARO liability amounted to \$256,253 (2023-\$248,789). The ARO liability is recorded at the present value of the estimated future cash flows using a discount rate of 3.0%.

The Corporation reviews and updates its ARO estimates annually, taking into consideration changes in assumptions and regulations that may impact the estimated costs. Any changes in the ARO liability due to revisions in estimates or changes in inflation rates or discount rates are recognized in the income statement in the period they occur.

Changes to the asset retirement obligations in the year are as follows:

	Opening Balance	Accretion Expense	Change in Estimate	Liability Settled	Ending Balance
Asbestos removal	\$ 248,789	7,464	\$ -	\$ -	\$ 256,253
	\$ 248,789	7,464	\$ -	\$ -	256,253

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2024

9. Tangible Capital Assets

2024

	Land		Machinery and			Total	
	Land	Improvements	Facilities	Equipment	Infrastructure		
Cost, beginning of year	\$ 7,667,223	\$ 5,659,036	\$ 18,502,599	\$ 8,610,209	\$ 90,190,798	\$	130,629,864
Asset retirement obligations	-	-	-	-	-		-
Additions	-	55,910	1,754,756	541,075	2,943,608	\$	5,295,349
Disposals	-	-	(52,460)	(389,415)	(3,330,458)	\$	(3,772,333)
Cost, end of year	\$ 7,667,223	\$ 5,714,946	\$ 20,204,895	\$ 8,761,869	\$ 89,803,948	\$	132,152,880
Accumulated amortization, beginning of year	\$ -	\$ 3,450,400	\$ 8,657,323	\$ 4,053,114	\$ 37,083,997	\$	53,244,834
Asset retirement obligations	-	-	120,772	-	-		120,772
Amortization	-	188,230	505,563	525,284	2,232,911		3,451,988
Disposals	-	-	(24,027)	(359,418)	(423,607)		(807,052)
Accumulated amortization, end of year	\$ -	\$ 3,638,630	\$ 9,259,631	\$ 4,218,980	\$ 38,893,301	\$	56,010,542
Net carrying amount, end of year	\$ 7,667,223	\$ 2,076,316	\$ 10,945,264	\$ 4,542,889	\$ 50,910,647	\$	76,142,339

The net book value of tangible capital assets not being amortized because they are under construction or development or have been removed from service is \$1,407,279 (2023- \$4,566,758). During the year, contributed capital assets was \$10,753 (2023 - nil).

The Corporation of the Town of Ingersoll holds various historical treasures pertaining to the cheese factory museum. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

2023

	Land		Machinery and			Total	
	Land	Improvements	Facilities	Equipment	Infrastructure		
Cost, beginning of year	\$ 4,484,341	\$ 5,397,580	\$ 17,486,802	\$ 7,692,302	\$ 88,353,308	\$	123,414,333
Asset retirement obligations	-	-	241,543	-	-		241,543
Additions	3,182,882	296,932	777,224	1,329,991	2,566,021		8,153,050
Disposals	-	(35,476)	(2,969)	(412,084)	(728,531)		(1,179,061)
Cost, end of year	\$ 7,667,223	\$ 5,659,036	\$ 18,502,599	\$ 8,610,209	\$ 90,190,798	\$	130,629,864
Accumulated amortization, beginning of year	\$ -	\$ 3,307,883	\$ 8,103,797	\$ 4,022,503	\$ 35,604,700	\$	51,038,883
Asset retirement obligations	-	-	120,771	-	-		120,771
Amortization	-	177,994	435,725	440,371	2,120,947		3,175,037
Disposals	-	(35,476)	(2,969)	(409,761)	(641,651)		(1,089,857)
Accumulated amortization, end of year	\$ -	\$ 3,450,400	\$ 8,657,323	\$ 4,053,114	\$ 37,083,997	\$	53,244,834
Net carrying amount, end of year	\$ 7,667,223	\$ 2,208,636	\$ 9,845,276	\$ 4,557,095	\$ 53,106,801	\$	77,385,031

The Corporation of the Town of Ingersoll

Notes to Consolidated Financial Statements

December 31, 2024

10. Accumulated Surplus

The Corporation of the Town of Ingersoll segregates its accumulated surplus in the following categories:

	2024	2023
Investment in tangible capital assets	\$ 76,142,339	\$ 77,385,031
Current funds	2,747,142	2,530,258
Reserves and reserve funds		
Working funds	192,278	192,278
Capital and current purposes	24,861,349	17,214,907
Industrial development	551,538	791,379
Investment in ERTH Corporation	13,608,976	13,608,976
Unfunded employee benefits liability	(4,901,420)	(4,983,525)
Unfunded boundary adjustment liability	(25,101,105)	(27,133,886)
Unfunded asset retirement obligations liability	(256,253)	(248,789)
	<u>\$ 87,844,844</u>	<u>\$ 79,356,629</u>

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

11. Government Transfers

	Budget 2024	2024	2023
Federal			
Operating			
Conditional	\$ -	\$ 16,106	\$ 30,459
Capital			
Conditional	-	22,190	-
Canada Community-Building Fund Revenue	-	966,203	704,510
	<u>\$ -</u>	<u>\$ 1,004,499</u>	<u>\$ 734,969</u>
Provincial			
Operating			
Ontario Municipal Partnership Fund	\$ 124,800	\$ 124,800	\$ 146,800
Conditional	117,510	134,680	76,514
Capital			
Conditional	-	611,202	587,912
	<u>\$ 242,310</u>	<u>\$ 870,682</u>	<u>\$ 811,226</u>

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2024

12. Other Income

	Budget 2024	2024	2023
Penalties and interest on taxation	\$ 130,000	\$ 189,993	\$ 156,839
Other fines and penalties	21,300	18,422	28,634
Investment Income	916,838	1,359,082	1,496,597
Licences, permits and rents	753,860	571,066	573,516
Donations	38,500	52,031	1,944,279
Donated assets	10,753	10,753	-
Sales of publications and other	17,470	12,483	14,574
Gain (loss) on disposal of tangible capital assets	-	(2,864,557)	14,263
Gain (loss) on disposal of assets held for resale	(212,156)	5,577,900	-
Interest - ERTH Corporation (Note 3)	329,400	329,404	329,404
Dividend - ERTH Corporation (Note 3)	-	217,116	-
Development Charges	59,894	53,498	91,513
Other	4,000	154,126	11,132
	\$ 2,069,859	\$ 5,681,317	\$ 4,660,751

13. Expenses by Object

	Budget 2024	2024	2023
Salaries, Wages and Employee Benefits	\$ 9,413,015	\$ 9,359,795	\$ 8,311,321
Materials	4,059,940	3,781,972	3,483,109
Contracted Services	3,475,969	3,398,954	3,459,256
Rent & Financial Expenses	46,975	69,306	70,741
Interest on Long-term Debt	41,215	35,042	53,795
Contributions to Others	736,751	(1,389,909)	2,857,763
Amortization	3,562,703	3,572,760	3,295,808
	\$ 21,336,568	\$ 18,827,920	\$ 21,531,793

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2024

14. Budget Figures

The budget data presented in these consolidated financial statements are based upon the 2024 operating budget approved by Council. The budget approved by Council was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. As a result, the budget figures presented in these consolidated financial statements represent the budget adopted by Council with adjustments as follows:

	2024
Town Council approved budget surplus	\$ -
Local Boards approved Consolidated budgets	-
Add:	
Net transfers (from) to reserves	3,878,935
Principal repayment of debt	307,400
Donated tangible capital assets	10,753
Change in post - employment benefits liability	82,105
Less:	
Loss on disposal of assets held for resale	212,156
Amortization	3,562,703
Capital project cost resulting in operating expenses	127,539
Budget Surplus (Full accrual)	<u>\$ 376,795</u>

15. Contingent Liabilities

A significant ratepayer of the Municipality has appealed to the Assessment Review Board (ARB) with respect to the taxation years between 2023 to 2024. These appeals could potentially result in a reduction of taxes which would be distributed between the town, county and school boards. As there is considerable uncertainty surrounding both the hearing process and the potential settlement of reduction in taxation revenue, an estimated amount of \$2,312,185 (2023 - \$3,928,000) has been recognized at this time.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2024

16. Funds Held in Trust

The trust funds administered by the municipality amounting to \$380,713 (2023 - \$350,891) have not been included in the consolidated financial statements. Certain assets have been conveyed or assigned to the Corporation of the Town of Ingersoll to be administered as directed by agreement or statute. The Corporation of the Town of Ingersoll holds the assets for the benefit of and stand in fiduciary relationship to the beneficiaries. The following trust funds and assets are excluded from the Corporation of the Town of Ingersoll's financial statements:

	2024	2023
Carroll	\$ 5,000	\$ 5,000
Cemetery Care and Maintenance	372,113	342,291
W.J. Bickerton	3,600	3,600
	<u>\$ 380,713</u>	<u>\$ 350,891</u>

17. Contaminated Sites

The Corporation of the Town of Ingersoll has implemented Public Sector Accounting Board (PSAB) Section 3260 Liability for Contaminated Sites. This standard requires the Town to disclose the liability, if any, related to remediation of such sites. Accordingly, there is nothing to report for the purpose of these financial statements.

18. Operating Lease Commitments

The Corporation of the Town of Ingersoll has entered into commitments for rent and leases expiring at various dates prior to 2032. The future minimum annual payments are estimated to be as follows:

2025	151,501
2026	155,819
2027	160,532
2028	155,302
Thereafter	93,308
	<u>\$ 716,462</u>

19. Segmented Information

The Corporation of the Town of Ingersoll is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

This category relates to the revenues and expenses of the operations of the Municipality itself and cannot be directly attributed to a specific segment.

Protection to Persons and Property

Protection is comprised of police services, fire protection and protective inspection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. Protective inspection provides services related to the enforcement of building and construction codes.

Transportation

Transportation is responsible for the maintenance and upkeep of the Municipality's roads, winter control, street lighting and sidewalks.

Environmental

Environmental services provide waste disposal services for the Municipality's citizens.

Health

Health services relate to maintaining the Municipality's cemetery.

Recreation and Cultural Services

This service area provides services meant to improve the health and development of the Municipality's citizens through recreational programs, youth centres and museum services.

Planning and Development

This service area is responsible for the economic development of the Municipality and its merchants.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transaction with other segments, inter-segment transfers have been measured on the basis of the actual cost of services provided.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2024

19. Segmented Information

For the year ended December 31, 2024	General government	Protection to persons and property	Transportation	Environmental	Health services	Recreation and cultural services	Planning and development	2024 Total
Revenue								
Taxation	\$ 18,206,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,206,999
Grants	216,482	90,897	1,900,392	39,659	-	39,082	8,173	2,294,685
User fees and service charges	81,543	91,881	30,853	-	53,874	862,519	12,464	1,133,134
Other	7,898,429	410,871	(2,765,723)	(7,679)	27,278	104,960	13,181	5,681,317
	26,403,453	593,649	(834,478)	31,980	81,152	1,006,561	33,818	27,316,135
Expenses								
Salaries and wages	2,066,236	1,476,504	1,607,702	209,291	122,233	3,522,460	355,369	9,359,795
Goods and services	1,502,012	2,837,639	1,032,805	230,271	51,490	1,404,320	191,695	7,250,232
Contributions to others	(1,389,909)	-	-	-	-	-	-	(1,389,909)
Interest	-	-	35,042	-	-	-	-	35,042
Amortization	178,337	163,985	2,184,347	336,892	10,058	699,141	-	3,572,760
	2,356,676	4,478,128	4,859,896	776,454	183,781	5,625,921	547,064	18,827,920
Net surplus (deficit)	\$ 24,046,777	\$ (3,884,479)	\$ (5,694,374)	\$ (744,474)	\$ (102,629)	\$ (4,619,360)	\$ (513,246)	\$ 8,488,215

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements
December 31, 2024

19. Segmented Information

For the year ended December 31, 2023	General government	Protection to persons and property	Transportation	Environmental services	Health services	Recreation and cultural services	Planning and development	2023 Total
Revenue								
Taxation	\$ 16,975,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,975,200
Grants	238,253	53,254	1,369,349	41,968	-	156,779	24,189	1,883,792
User fees and service charges	73,107	35,402	63,583	-	52,736	939,543	13,261	1,177,632
Other	3,183,530	422,860	81,073	6,282	40,634	908,176	18,196	4,660,751
	20,470,090	511,516	1,514,005	48,250	93,370	2,004,498	55,646	24,697,375
Expenses								
Salaries and wages	1,850,097	1,335,260	1,320,102	198,967	117,438	3,235,556	253,901	8,311,321
Goods and services	1,279,620	2,920,844	976,155	217,069	43,129	1,285,450	290,839	7,013,106
Contributions to others	2,857,763	-	-	-	-	-	-	2,857,763
Interest	-	-	53,795	-	-	-	-	53,795
Amortization	183,761	167,363	1,976,827	334,860	9,968	623,029	-	3,295,808
	6,171,241	4,423,467	4,326,879	750,896	170,535	5,144,035	544,740	21,531,793
Income from government business enterprise	959,698	-	-	-	-	-	-	959,698
Net surplus (deficit)	\$ 15,258,547	\$ (3,911,951)	\$ (2,812,874)	\$ (702,646)	\$ (77,165)	\$ (3,139,537)	\$ (489,094)	\$ 4,125,280