

Consolidated Financial Statements of

**THE CORPORATION
OF THE TOWNSHIP
OF WOOLWICH**

And Independent Auditor's Report thereon

Year ended December 31, 2024



KPMG LLP

120 Victoria Street South
Suite 600
Kitchener, ON N2G 0E1
Canada
Telephone 519 747 8800
Fax 519 747 8811

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Woolwich

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of Woolwich (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 financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated 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 changes in consolidated 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 "***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.



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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.



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- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

October 10, 2025

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Consolidated Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Cash and cash equivalents	\$ 6,498,065	\$ 12,251,681
Investments (note 3)	9,002,409	9,805,713
Taxes receivable	3,033,081	2,533,413
User charges receivable	1,370,111	1,019,022
Accounts receivable	9,259,635	7,126,585
Development charges receivable (note 4)	6,341	6,341
Investment in Enova Power Corporation (note 5)	55,796,370	55,796,370
Total financial assets	84,966,012	88,539,125
Liabilities		
Accounts payable and accrued liabilities	\$ 10,744,127	\$ 12,724,839
Deferred revenue - obligatory reserve funds (note 4)	4,367,087	5,763,268
Deferred revenue - other	4,554,427	5,495,676
Net long-term liabilities (note 6)	3,173,442	3,413,768
Post employment benefits (note 7)	1,173,363	1,164,922
Total liabilities	24,012,446	28,562,473
Net financial assets	\$ 60,953,566	\$ 59,976,652
Non-Financial Assets		
Tangible capital assets (note 8)	\$ 219,765,933	\$ 214,048,687
Inventories of supplies	139,119	89,282
Prepaid expenses	258,119	111,348
	220,163,171	214,249,317
Accumulated surplus (note 9)	\$ 281,116,737	\$ 274,225,969

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

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Consolidated Statement of Operations

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

	Budget (Note 13)	2024	2023
Revenue:			
Taxation	\$ 16,783,132	\$ 16,811,076	\$ 15,205,125
User fees and charges	9,532,336	11,188,587	9,700,266
Government grants	1,118,665	4,115,804	3,132,454
Municipal revenue	62,684	103,024	42,065
Permits, late payment charges and other	1,527,727	1,391,744	1,244,714
Interest, donations and sundry	7,138,528	3,709,906	3,807,086
Obligatory reserve fund revenue (note 4)	4,348,657	3,601,049	4,568,904
Gain on sale of assets	—	57,822	6,189
Total revenue	40,511,729	40,979,012	37,706,803
Expenses:			
General government	3,712,468	2,134,863	2,275,164
Protection to persons and property	3,696,150	5,058,652	4,428,748
Transportation services	5,595,757	8,894,738	8,740,971
Environmental services	2,507,124	6,230,692	5,257,153
Health services	92,411	102,192	68,640
Social and family services	69,365	75,955	65,006
Recreation and cultural	5,338,489	9,197,540	7,902,861
Planning and development	2,359,333	2,393,612	2,167,854
Total expenses	23,371,097	34,088,244	30,906,397
Annual surplus	17,140,632	6,890,768	6,800,406
Accumulated surplus, beginning of year	274,255,969	274,225,969	267,425,563
Accumulated surplus, end of year	\$ 291,396,601	\$ 281,116,737	\$ 274,225,969

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

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Consolidated Statement of Change in Net Financial Assets

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

	2024	2023
Annual surplus	\$ 6,890,768	\$ 6,800,405
Acquisition of tangible capital assets	(13,644,791)	(13,919,765)
Amortization of tangible capital assets	7,252,510	7,156,237
Net loss (gain) on disposal of tangible capital assets	607,990	(60,000)
Proceeds on sale of tangible capital assets	67,045	66,918
Net change in inventories of supplies	(49,837)	88,175
Net change in prepaid expenses	(146,771)	559,301
	(5,913,854)	(6,109,134)
Change in net financial assets	976,914	691,271
Net financial assets, beginning of year	59,976,652	59,285,381
Net financial assets, end of year	\$ 60,953,566	\$ 59,976,652

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

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

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	\$ 6,890,768	\$ 6,800,405
Items not involving cash:		
Amortization of tangible capital assets	7,252,510	7,156,237
Gain on disposal of tangible capital assets	607,990	(60,000)
Change in accrued post-retirement benefits obligation	8,441	19,026
	14,759,709	13,915,668
Change in non-cash assets and liabilities:		
Taxes receivables	(499,668)	(417,945)
User charges receivable	(351,089)	(161,221)
Accounts receivable	(2,133,050)	(1,532,622)
Development charges receivable	—	6,341
Accounts payable and accrued liabilities	(1,980,712)	2,326,667
Deferred revenue – obligatory reserve funds (note 4)	(1,396,181)	(1,591,835)
Deferred revenue – other	(941,249)	225,410
Inventories of supplies	(49,837)	88,175
Prepaid expenses	(146,771)	559,301
Net change in cash from operating activities	7,261,152	13,417,939
Capital activities:		
Cash used to acquire tangible capital assets	(13,644,791)	(13,919,765)
Proceeds on sale of tangible capital assets	67,045	66,918
Net change in cash from capital activities	(13,577,746)	(13,852,847)
Investing activities:		
Change in investments	803,304	(242,270)
Net change in cash from investing activities	803,304	(242,270)
Financing activities:		
Debt issued and assumed	—	1,190,000
Principle repayment of long-term debt	(240,326)	(189,950)
Net change in cash from financing activities	(240,326)	1,000,050
Net change in cash	(5,753,616)	322,872
Cash and cash equivalents, beginning of year	12,251,681	11,928,809
Cash and cash equivalents, end of year	\$ 6,498,065	\$ 12,251,681

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

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements

Year ended December 31, 2024

1. Significant accounting policies:

The consolidated financial statements of The Corporation of the Township of Woolwich (the "Township") are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing and the standards established by the Public Sector Accounting and Auditing Board (PSAB) of the Chartered Professional Accountants of Canada. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

The focus of PSAB financial statements is on the financial position of the Township and the changes thereto. The consolidated statement of financial position includes all assets and liabilities of the Township. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position and is the difference between assets and liabilities. This provides information about the Township's overall future revenue requirements and its ability to finance activities and meet its obligations.

(a) Basis of consolidation:

(i) Consolidated statements:

These consolidated statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity include the activities of all committees of Council and the following boards, municipal enterprises and utilities which are under the control of Council except for the Township's government business enterprise which is accounted for on a modified equity basis of accounting:

- Elmira Business Improvement Area Board of Management
- St. Jacobs Business Improvement Area Board of Management

Inter-organizational transactions and balances between these entities have been eliminated.

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(iii) Accounting for region and school board transactions:

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the School Boards, and The Region of Waterloo are not reflected in these consolidated financial statements. Overlevies (underlevies) are reported on the consolidated financial statement of financial position as "other liabilities" "other assets".

(iv) Trust funds:

Trust funds and their related operations administered by the Township are not consolidated, but are reported separately on the trust funds statement of financial operations and financial position.

(b) Basis of accounting:

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

(c) Government transfers:

Government transfers received relate to social services, childcare, housing and health programs, transportation and environmental services. Government transfers paid relate to social services programs. Transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(d) Government transfers:

The Township prepares tax billings based on assessment rolls issued by Municipal Property Assessment Corporation, in accordance with rates established and approved annually by Council and the Province of Ontario. Taxation revenue is recognized in the period in which the taxes are levied.

Government transfers are recognized in the period in which the events giving rise to the transfer occurred, provided that the transfer is authorized and the amount can be reasonably estimated. Government grants are recognized when approved to the extent the related expenditures have been incurred and collection can be reasonably assured.

Revenues from an exchange transaction are recognized as or when the Township 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.

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(e) Deferred revenue - other:

Deferred revenues represent licenses, permits and other fees which have been collected, but for which the related services or inspections have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(f) Investment income:

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.

(g) Cash equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.

(h) Land held for resale:

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

(i) Investments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost.

The Township's financial instruments include cash and short-term investments, taxes receivable, accounts receivable, investments, accounts payable and accrued liabilities, deferred revenue, long-term liabilities, and capital lease obligation. With the exception of derivative and equity investments, the carrying value approximates fair value due to the short-term nature of these financial assets and liabilities.

Unrealized changes in fair value of derivative and equity investments are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets 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 of remeasurement gains and losses.

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(i) Investments (continued):

Financial instruments that are subsequently measured at fair value are classified based on the observability of inputs as follows:

Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;

Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

Principal protected notes within investments are measured as level 1 financial instruments.

(j) Long-term debt:

Long-term debt is recorded net of related sinking fund balances.

(k) Employee future benefits:

The costs of multi-employer defined contribution pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period.

(l) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

(m) 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	5 - 50
Buildings and building improvements	25 - 50
Vehicles	5 - 30
Machinery and equipment	5 - 30
Water and wastewater infrastructure	15 - 100
Roads infrastructure - Base	50
- Surface	15

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(m) Tangible capital assets (continued):

No amortization will be charged in the year of acquisition. In the year of disposal, the balance of amortization is removed. Assets under construction (capital work in progress) are not amortized until the asset is available for productive use or placed in service.

(i) Contributions of tangible capital assets:

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

(ii) Natural resources:

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

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

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(iv) Interest capitalization:

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

(v) Leased tangible capital assets:

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

(n) Use of estimates:

The preparation of 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 financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities and the historical cost of useful lives of tangible capital assets.

Actual results could differ from these estimates.

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(o) Adoption of new accounting standards:

(i) PS - 3400 Revenue:

PS 3400 Revenue establishes standards on 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.

(ii) PS - 3160 Public Private Partnerships:

PS 3160 *Public Private Partnerships* establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

The new accounting standards were adopted on a prospective basis.

There was no impact on financial statements of the Township as a result of the adoption of these standards.

2. Operations of School Boards and the Region of Waterloo:

Further to note 1(a) (iii), the taxation, other revenues, expenditures and over levies for the School Boards and The Region of Waterloo are comprised of the following:

	School Boards	Region
Taxation and user charges	\$ 13,522,091	\$ 37,359,519
Requisitions paid	(13,522,091)	(37,359,519)
(Under)/over levies, end of year	\$ —	\$ —

3. Investments:

The total of investments of \$9,002,409 (2023 - \$9,805,713) reported on the consolidated statement of financial position at cost, have a fair value of \$9,125,760 (2023 - \$9,742,231) at the end of the year.

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

4. Deferred revenue - obligatory reserve funds:

A requirement of the public sector accounting principles is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used. The ending balance for development charges includes \$6,341 of development charges receivable for which collection has been deferred in accordance with Section 26.1 of the Development Charges Act, 1997.

The balances in the obligatory reserve funds of the Township are summarized below:

	2024	2023
Building administration	\$ 352,050	\$ 877,975
Development charges	3,936,352	4,912,928
Canada Community – Building Fund	47,328	17,398
Park fund	31,357	(45,033)
	\$ 4,367,087	\$ 5,763,268

Continuity of deferred revenue is as follows:

	2024	2023
Balance, beginning of year:		
Building administration	\$ 877,975	\$ 1,278,735
Development charges	4,912,928	5,801,794
Canada Community – Building Fund	17,398	387,618
Park fund	(45,033)	(113,044)
	5,763,268	7,355,103
Developer contributions received	1,706,531	1,682,321
Capital grants received	861,207	827,550
Other	276,650	219,154
Interest earned	192,990	248,044
Total revenue	3,037,378	2,977,069
Contributions used	(4,433,559)	(4,568,904)
Balance, end of year	\$ 4,367,087	\$ 5,763,268

5. Government business enterprises:

The Township holds 8.5% of the common shares of Enova Energy Corporation and \$3,355,689 in long-term notes payable. The investment in Enova Energy Corporation and affiliates is comprised of the following:

	2024	2023
Enova Energy Corporation debt	\$ 3,355,689	\$ 3,355,689
Enova Energy Corporation common shares	52,440,681	52,440,681
Balance, end of year	\$ 55,796,370	\$ 55,796,370

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

6. Net long-term liabilities:

- (a) The balance of long-term liabilities reported on the Consolidated Statement of Financial Position consists of the following:

	2024	2023
Ontario Strategic Infrastructure Financing Authority Water drainage \$685,000 20-year loan (OSIFA04-02) issued December 2004 with an annual interest rate of 2.7891% - interest and principal repayable in semi- annual installments	\$ —	\$ 43,924
Township, through the Region of Waterloo, issued a \$3,720,000 25-year capital program debenture (ID09-61) December 1, 2009 with an annual interest rate of 4.88% - interest repayable in semi-annual installments and Principal repayable annually	2,025,442	2,179,844
Township, through the Region of Waterloo, issued a \$1,190,000 10-year capital program debenture (CDS23-10) October 17, 2023, with the option to renew for another 10-years with a varying annual interest rate of 4.75% to 5.60% - interest repayable in semi-annual installments and principal repayable annually	1,148,000	1,190,000
Net long-term liabilities, end of year	\$ 3,173,442	\$ 3,413,768

- (b) The long-term liabilities in (a) issued in the name of the Township have been approved by By-Law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment prescribed by the Ministry of Municipal Affairs and Housing.
- (c) Interest paid during the year on long-term liabilities amounted to \$167,117 (2023 - \$115,667). Principal paid during the year on long-term liabilities amounted to \$240,326 (2023 - \$189,650).

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

6. Net long-term liabilities (continued):

- (a) The total Township principal and interest repayments in each of the next five years and thereafter are due as follows:

	Principal	Interest
2025	\$ 200,936	\$ 156,400
2026	210,839	149,489
2027	221,127	136,171
2028	231,819	125,393
2029	242,936	114,139
Thereafter	2,065,785	304,803
	<u>\$ 3,173,442</u>	<u>\$ 986,395</u>

7. Post employment benefits:

The Township provides certain benefits, including post-employment benefits of extended health and dental benefits and sick leave benefits, to its employees. The post-employment benefit at December 31, 2024, includes the following components:

	2024	2023
Extended health and dental benefits	\$ 757,539	\$ 749,128
Sick leave	254,526	233,022
	<u>1,012,065</u>	<u>982,150</u>
Unamortized actuarial gains	161,298	182,772
	<u>\$ 1,173,363</u>	<u>\$ 1,164,922</u>

Actuarial valuations for accounting purposes are performed using the projected benefit method, pro-rated on services. The most recent actuarial report was prepared as at December 31, 2024.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, medical inflation rates, wage increases, employee turnover and mortality rates. The assumptions used reflect management's best estimates. The post-employment benefit liability was determined using a discount rate of 4.10% (2023 – 4.20%). The sick leave liability was determined using a discount rate of 3.90% (2023 – 3.90%). For extended health care costs, a 5.60% annual rate of increase, decreasing by 0.25% annually to an ultimate rate of 3.57% was assumed. For dental costs, a 5.00% annual rate of increase increasing by 0.40% annually to an ultimate rate of 3.57% was assumed.

The liability for sick leave benefits includes a provision for non-vested benefits. Under the sick leave benefit plan, unused sick leave can accumulate but employees leaving the Township's employment are not entitled to a cash payment.

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

8. Tangible capital assets:

	2024							
	Land	Landfill and Land Improvements	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Assets Under Construction	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance, beginning of year	17,962,331	8,252,645	42,016,557	18,541,071	82,781,168	114,048,445	39,005,943	322,608,160
Additions	–	728,808	731,125	3,232,454	–	19,297	8,933,107	13,644,791
Disposals	–	(37,136)	(998,379)	(508,475)	–	(142,092)	–	(1,686,082)
Balance, end of year	17,962,331	8,944,317	41,749,303	21,265,050	82,781,168	113,925,650	47,939,050	334,566,869
Accumulated amortization								
Balance, beginning of year	–	4,200,761	16,378,226	9,075,514	22,281,759	56,623,214	–	108,559,474
Disposals	–	(18,086)	(381,482)	(488,483)	–	(122,995)	–	(1,011,046)
Amortization expense	–	329,683	1,114,979	1,251,086	1,392,721	3,164,039	–	7,252,508
Balance, end of year	–	4,512,358	17,111,723	9,838,117	23,674,480	59,664,258	–	114,800,936
Reclassification	1	(78,720)	78,920	2	–	(203)	–	–
Net book value, end of year	17,962,332	4,353,239	24,716,500	11,426,935	59,106,688	54,261,189	47,939,050	219,765,933

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

8. Tangible capital assets (continued):

	2023							
	Land	Landfill and Land Improvements	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Assets Under Construction	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance, beginning of year	17,962,331	7,879,430	42,003,472	16,559,579	82,918,443	114,271,750	27,693,889	309,288,894
Additions	–	422,109	34,085	2,211,517	-	-	11,312,054	13,979,765
Disposals	–	(48,894)	(21,000)	(230,025)	(137,275)	(223,305)	–	(660,499)
Balance, end of year	17,962,331	8,252,645	42,016,557	18,541,071	82,781,168	114,048,445	39,005,943	322,608,160
Accumulated amortization								
Balance, beginning of year	–	3,925,532	15,269,136	8,178,051	21,020,991	53,603,108	–	101,996,818
Disposals	–	(36,680)	(6,300)	(190,020)	(137,275)	(223,305)	–	(593,580)
Amortization expense	–	311,909	1,115,390	1,087,483	1,398,043	3,243,411	–	7,156,236
Balance, end of year	–	4,200,761	16,378,226	9,075,514	22,281,759	56,623,214	–	108,559,474
Net book value, end of year	17,962,331	4,051,884	25,638,331	9,465,557	60,499,409	57,425,231	39,005,943	214,048,687

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

8. Tangible capital assets (continued):

a) Assets under construction:

Assets under construction having a value of \$47,939,050 (2023 - \$39,005,943) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Contributed tangible capital assets:

Contributed capital assets during the year were \$nil (2023 - \$nil).

c) Works of art and historical treasures:

The Township of Woolwich manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at Township sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

d) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was \$nil (2023 - \$nil).

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

9. Accumulated surplus:

	2024	2023
Surplus:		
Invested in tangible capital assets	\$ 219,765,933	\$ 214,048,686
General (surplus)/deficit	(1,803,879)	(952,992)
Unfunded:		
Employee benefits -sick leave	(1,173,363)	(1,164,922)
Debenture - long-term	(3,173,442)	(3,413,767)
Equity in Government Business Enterprise	55,796,370	55,796,370
Total surplus	269,411,619	264,313,375
Reserves set aside by Council:		
Operating budget contingency	1,044,160	588,912
Working capital	(416,283)	1,925,806
Insurance	156,773	152,992
Capital budget contingency	169,314	194,411
Ontario Municipal Board legal	200,948	162,244
Special circumstance funding	287,233	310,486
Winter stabilization	20,428	20,428
Total reserves	1,462,573	3,355,279
Reserve funds set aside for specific purposes by Council:		
Equipment replacement	2,014,815	842,402
Infrastructure investment	1,413,507	1,372,120
Recreation fitness centre	10,861	24,982
Recreation Facilities	99,533	95,812
Water	1,014,208	1,551,923
Sewer	1,045,609	998,237
Property building	181,171	198,136
Parking lot	15,701	15,114
Development administration	1,256,084	78,004
Transient Accommodation Tax	1,118,835	767,038
Walter Bean Trail Fund	320,884	312,985
Greening/Climate Action	474,120	300,562
Housing Affordability	1,277,217	—
Total reserve funds	10,242,545	6,557,315
Accumulated surplus	\$ 281,116,737	\$ 274,225,969

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

10. Public liability insurance:

The Township is self insured for public liability claims up to \$10,000 (2023 - \$10,000) for any individual claim and \$10,000 (2023 - \$10,000) for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits.

The Township has made provision for a reserve for self insurance which, as at December 31, 2024, amounted to \$156,773 (2023 - \$152,992) and is reported on the consolidated statement of financial position. The provision for the year amounted to \$412,955 (2023 - \$362,426). During the year, claims amounting to \$53,756 (2023 - \$58,540) were settled and insurance premiums of \$355,417 (2023 - \$333,731) were paid. Both amounts are reported as an expense on the consolidated statement of operations and have been funded from the reserve.

11. Pension agreements:

The Township makes contributions to OMERS which is a multi-employer plan, on behalf of 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 the length of service and rates of pay. Contributions to OMERS in 2024 were \$942,127 (2023 - \$718,381).

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was on December 31, 2024. At that time the plan reported a \$2.9 billion (2023 - \$4.2 billion actuarial deficit), based on actuarial liabilities of \$142.5 billion (2023 - \$136.2 billion) and actuarial assets \$139.6 billion (2023 - \$132.0 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.

12. Cemetery trust funds:

Cemetery trust funds administered by the Township amounting to \$471,496 (2023 - \$455,434) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

13. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2024 operating and capital budgets approved by Council. Amortization was not contemplated on development of the budget and, as such, has not been included.

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

14. Segmented information:

Segmented information has been identified based on lines of service provided by the Township. Township services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(i) Protection:

Protection is comprised of the Fire and By-law Enforcement departments. The Fire department is responsible to provide fire suppression services, fire prevention programs; training and development related to prevention; and detection or extinguishment of fires. The mandate of the By-law Enforcement department is to enforce the By-laws passed by the Council of the Township of Woolwich.

(ii) Public Works - Transportation:

The Public Works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, bridges and culverts, sidewalks, the maintenance of parks and open space, and street lighting.

(iii) Public Works - Environment:

The Township is responsible for environmental programs and the operation of Water and Wastewater Systems, specifically the distribution and collection systems; and storm collection systems.

(iv) Recreation and Cultural Services:

The Recreation and Community Services department is responsible for the planning, development, delivery and maintenance of all Township recreation programs, services and facilities.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments-in-lieu of taxes area allocated to the segments based on the segment's budgeted net expenditure. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government grants have been allocated to the segment based upon the purpose for which the grant was made.

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

14. Segmented information (continued):

	2024					
	Protection	Public Works – Transportation	Public Works – Environmental	Recreation and Cultural Services	Other and Unallocated	Total
	\$	\$	\$	\$	\$	\$
Revenues:						
Taxation	3,464,243	5,903,205	-	3,963,168	3,480,460	16,811,076
User fees and charges	269,942	51,385	5,031,074	2,814,787	3,021,399	11,188,587
Government grants	2,318	1,792,929	22,090	376,445	1,922,022	4,115,804
Municipal revenue	60,215	42,809	-	-	-	103,024
Permits, late payment, other	853,526	11,465	-	4,422	522,331	1,391,744
Interest, donations, sundry	23,433	108,087	1,033,772	246,262	2,298,352	3,709,906
Obligatory reserve fund recognized	561,692	446,353	2,228,959	304,752	59,293	3,601,049
Equity from Enova Power Corporation	-	-	-	-	-	-
Gain on disposal of assets	7,574	45,029	-	5,219	-	57,822
Contributed assets	-	-	-	-	-	-
Total revenues	5,242,943	8,401,262	8,315,895	7,715,055	11,303,857	40,979,012
Expenses:						
Salaries, wages and employee benefits	2,901,317	2,081,745	1,231,058	3,449,507	4,077,957	13,741,584
Materials	788,394	1,715,719	1,337,761	3,236,692	1,492,430	8,570,996
Contracted services	299,932	2,053,498	696,370	608,078	594,995	4,252,873
Rents and financial expenses	-	14,637	-	2,383	86,143	103,163
External transfers	-	-	-	-	-	-
Debt services	-	-	60,741	106,376	-	167,117
Amortization	712,175	3,628,134	1,402,734	1,263,185	246,283	7,252,511
Inter-functional adjustments/Program allocation	356,834	(598,995)	1,502,027	531,319	(1,791,185)	-
Total expenses	5,058,652	8,894,738	6,230,691	9,197,540	4,706,623	34,088,244
Annual surplus (deficit)	184,291	(493,476)	2,085,204	(1,482,485)	6,597,234	6,890,768

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

14. Segmented information (continued):

	2023					
	Protection	Public Works – Transportation	Public Works – Environmental	Recreation and Cultural Services	Other and Unallocated	Total
	\$	\$	\$	\$	\$	\$
Revenues:						
Taxation	2,695,901	5,784,770	-	3,064,593	3,659,861	15,205,125
User fees and charges	264,609	32,395	4,896,514	2,502,809	2,003,939	9,700,266
Government grants	-	1,292,195	34,169	1,298,105	507,985	3,132,454
Municipal revenue	36,270	5,795	-	-	-	42,065
Permits, late payment, other	45,270	-	-	1,998	1,197,446	1,244,714
Interest, donations, sundry	207,700	1,438,886	317,167	481,502	1,361,831	3,807,086
Obligatory reserve fund recognized	574,469	908,173	1,880,861	710,357	495,044	4,568,904
Gain on disposal of assets	-	-	-	-	6,189	6,189
Contributed assets	-	-	-	-	-	-
Total revenues	3,824,219	9,462,214	7,128,711	8,059,364	9,232,295	37,706,803
Expenses:						
Salaries, wages and employee benefits	2,487,005	1,614,363	1,092,003	3,199,382	3,566,454	11,959,207
Materials	781,829	2,132,598	503,123	2,287,376	1,680,635	7,385,561
Contracted services	208,602	2,039,596	686,439	582,748	666,048	4,183,433
Rents and financial expenses	-	14,164	-	1,848	25,273	41,285
External transfers	-	-	-	-	65,006	65,006
Debt services	-	-	2,107	113,561	-	115,668
Amortization	630,617	3,638,478	1,408,055	1,231,060	248,027	7,156,237
Inter-functional adjustments/Program allocation	320,695	(698,228)	1,565,426	486,886	(1,674,779)	-
Total expenses	4,428,748	8,740,971	5,257,153	7,902,861	4,576,664	30,906,397
Annual surplus (deficit)	(604,529)	721,243	1,871,558	156,503	4,655,631	6,800,406



KPMG LLP

120 Victoria Street South
Suite 600
Kitchener, ON N2G 0E1
Canada
Telephone 519 747 8800
Fax 519 747 8811

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Woolwich

Opinion

We have audited the accompanying financial statements of the Cemetery trust funds of the Corporation of the Township of Woolwich (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and note 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 financial position of the Entity as at December 31, 2024, and its results of operations, its changes in net assets and its 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.



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- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

October 10, 2025

CEMETERY TRUST FUNDS OF THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Cash	\$ 695,171	\$ 618,034
Accrued interest receivable	2,283	2,865
Accounts receivable	–	26,281
	697,454	647,180
Liabilities		
Due to the Township of Woolwich	225,958	192,745
Net assets	\$ 471,496	\$ 454,435

See accompanying notes to financial statements.

CEMETERY TRUST FUNDS OF THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Statement of Operations

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

	2024	2023
Revenues:		
Sale of plots	\$ 17,061	\$ 26,281
Interest earned	33,212	31,398
	50,273	57,679
Expenses:		
Cemetery care	33,212	31,398
Net revenue	17,061	26,281
Net assets, beginning of year	454,435	428,154
Net assets, end of year	\$ 471,496	\$ 454,435

See accompanying notes to financial statements.

CEMETERY TRUST FUNDS OF THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Statement of Cash Flows

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

	2024	2023
Cash provided by (used in):		
Operations:		
Net revenues	\$ 17,061	\$ 26,281
Sources (uses) of cash:		
Accrued interest receivable	583	(572)
Accounts Receivable	26,281	(26,281)
Due to the Township of Woolwich	33,212	31,398
Increase in cash	77,137	30,826
Cash, beginning of year	618,034	587,208
Cash, end of year	\$ 695,171	\$ 618,034

See accompanying notes to financial statements.

CEMETERY TRUST FUNDS OF THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

Notes to Financial Statements

Year ended December 31, 2024

1. Accounting policy:

Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting which recognizes expenses as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.