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Non-consolidated financial  
information of  
**Barrie Hydro Holdings Inc.**

December 31, 2022

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# Compilation Engagement Report

To Those charged with governance of Barrie Hydro Holdings Inc.

On the basis of information provided by management, we have compiled the non-consolidated balance sheet of Barrie Hydro Holdings Inc. as at December 31, 2022, the non-consolidated statement of operations and retained earnings for the year then ended, Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information and other explanatory information (“financial information”).

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

In addition to performing this engagement, we provided tax preparation and filing services to Barrie Hydro Holdings Inc. for the year ended December 31, 2022.

Chartered Professional Accountants  
Licensed Public Accountants

**Non-consolidated statement of operations and retained earnings**

Year ended December 31, 2022

	<b>2022</b>	2021
	\$	\$
<b>Revenue</b>		
Dividend income	<b>8,679,275</b>	7,100,800
Interest revenue	<b>23,361</b>	5,517
Change in fair value of derivative financial instrument	<b>509</b>	9,505
	<b>8,703,145</b>	7,115,822
<b>Expenses</b>		
Administration fees	<b>100,000</b>	100,000
Interest and penalties	<b>22,155</b>	37,728
Professional fees	<b>5,400</b>	3,900
Miscellaneous	<b>102</b>	580
	<b>127,657</b>	142,208
Income before undernoted item	<b>8,575,488</b>	6,973,614
Equity loss of investees	<b>(3,776)</b>	(2,893)
Income before income taxes	<b>8,571,712</b>	6,970,721
<b>Net income</b>	<b>8,571,712</b>	6,970,721
Retained earnings, beginning of year	<b>81,931,252</b>	81,126,598
Refundable taxes paid	<b>(3,295,356)</b>	(2,681,900)
Dividend refund	<b>2,990,000</b>	2,165,833
Dividends paid	<b>(7,800,000)</b>	(5,650,000)
<b>Retained earnings, end of year</b>	<b>82,397,608</b>	81,931,252

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**Non-consolidated balance sheet**

As at December 31, 2022

	<b>2022</b>	2021
	\$	\$
<b>Assets</b>		
Current assets		
Cash	<b>106,761</b>	363,636
Accounts receivable	<b>3,184</b>	664
	<b>109,945</b>	364,300
Investment in Barrie Hydro Energy Services Inc.	<b>218,773</b>	222,549
Investment in Alectra Inc., at cost	<b>182,102,578</b>	182,102,578
	<b>182,431,296</b>	182,689,427
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	<b>5,501</b>	3,802
Income taxes payable	<b>55,444</b>	516,155
Due to related parties	<b>247,485</b>	250,451
Bank loan	-	262,000
	<b>308,430</b>	1,032,408
Derivative financial liability	-	509
Deferred tax liability	<b>26,525,865</b>	26,525,865
	<b>26,834,295</b>	27,558,782
<b>Shareholder's equity</b>		
Share capital		
Authorized		
Unlimited common shares		
Stated		
1,100 common shares	<b>73,199,393</b>	73,199,393
Retained earnings	<b>82,397,608</b>	81,931,252
	<b>155,597,001</b>	155,130,645
	<b>182,431,296</b>	182,689,427

Approved by

\_\_\_\_\_, Officer

\_\_\_\_\_, Officer

## **1. Accounting policies**

### *Description of the basis of accounting*

The basis of accounting applied in the preparation of the non-consolidated balance sheet of Barrie Hydro Holdings Inc. as at December 31, 2022 and the non-consolidated statement of operations and retained earnings for the year then ended is on the historical cost basis, reflecting cash transactions with the addition of:

- Accounts receivable;
- Investment in Alectra Inc., recorded at cost;
- Investment in Barrie Hydro Energy Services Inc., recorded using the equity method
- Derivative financial instruments, recognized at fair value;
- Accounts payable and accrued liabilities;
- Current income taxes payable as at the reporting date; and
- Investment income recorded on a time proportionate basis and when the right to receive payment has been established.

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