

**The Corporation of the Municipality of
Northern Bruce Peninsula
Financial Information
For the year ended December 31, 2023**

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**The Corporation of the Municipality of Northern Bruce Peninsula
Financial Information
For the year ended December 31, 2023**

Contents

The Corporation of the Municipality of Northern Bruce Peninsula

The Corporation of the Municipality of Northern Bruce Peninsula Trust Funds

DRAFT

**The Corporation of the Municipality of
Northern Bruce Peninsula
Financial Statements
For the year ended December 31, 2023**

DRAFT

The Corporation of the Municipality of Northern Bruce Peninsula
Financial Statements
For the year ended December 31, 2023

Contents

The Corporation of the Municipality of Northern Bruce Peninsula

Independent Auditor's Report

Statement of Financial Position 1

Statement of Operations and Accumulated Surplus 2

Statement of Changes in Net Financial Assets 3

Statement of Cash Flows 4

Summary of Significant Accounting Policies 5 - 8

Notes to Financial Statements 9 - 26

Schedule of Deferred Revenue 27

Independent Auditor's Report

To the Members of Council
of the Corporation of the Municipality of Northern Bruce Peninsula

Opinion

We have audited the accompanying financial statements of the Corporation of the Municipality of Northern Bruce Peninsula (the Municipality), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2023, and the results of its operations, changes in net financial assets and 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 report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on August 2, 2023.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario
Report Date, 2025

The Corporation of the Municipality of Northern Bruce Peninsula

Statement of Financial Position

December 31	2023	2022 (Restated) (Note 1)
Financial assets		
Cash (Note 2)	\$ 16,607,633	\$ 16,194,146
Temporary investments (Note 2)	-	663,434
Taxes receivable	1,185,689	882,604
Trade and other receivables	1,763,809	857,622
Inventory held for resale	96,101	86,092
Long-term receivables (Note 3)	107,286	47,975
	<u>19,760,518</u>	<u>18,731,873</u>
Liabilities		
Accounts payable and accrued liabilities	1,537,731	1,678,391
Asset retirement obligation liabilities (Note 4)	464,315	444,066
WSIB future benefits cost liabilities (Note 13)	81,000	-
Post-employment benefits liabilities (Note 14)	155,500	151,500
Deferred revenue (Page 27)	410,279	504,370
Long-term liabilities (Note 5)	482,738	519,652
	<u>3,131,563</u>	<u>3,297,979</u>
Net financial assets	<u>16,628,955</u>	<u>15,433,894</u>
Non-financial assets		
Inventory of supplies	279,060	207,893
Tangible capital assets (Note 6)	44,449,313	43,039,475
	<u>44,728,373</u>	<u>43,247,368</u>
Accumulated surplus (Note 7)	<u>\$ 61,357,328</u>	<u>\$ 58,681,262</u>

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

The Corporation of the Municipality of Northern Bruce Peninsula

Statement of Operations and Accumulated Surplus

For the year ended December 31	2023	2023	2022
	Budget (Note 9)	Actual	Actual (Restated) (Note 1)
Revenue			
Taxation	\$ 8,625,398	\$ 9,055,655	\$ 8,129,861
Fees and user charges	2,984,266	3,368,857	3,116,853
Government transfers (Note 11)	6,357,576	3,251,100	2,701,995
Other income (Note 10)	1,414,800	2,388,771	2,143,518
	<u>19,382,040</u>	<u>18,064,383</u>	<u>16,092,227</u>
Expenses			
General government	1,844,900	2,143,609	1,828,116
Protection services	2,848,220	2,913,730	2,721,457
Transportation services	2,528,950	4,792,937	4,529,143
Environmental services	1,483,750	1,814,126	1,800,372
Health services	129,940	435,427	217,565
Recreation and cultural services	1,022,200	1,294,931	1,027,522
Harbour services	1,010,400	1,400,886	1,201,972
Planning and development	651,172	592,671	721,189
	<u>11,519,532</u>	<u>15,388,317</u>	<u>14,047,336</u>
Annual surplus (Note 9)	<u>7,862,508</u>	<u>2,676,066</u>	<u>2,044,891</u>
Accumulated surplus, beginning of the year, as previously stated	58,681,262	58,681,262	56,706,937
Change in accounting policy (Note 1)	-	-	(70,566)
Accumulated surplus, beginning of the year, restated	<u>58,681,262</u>	<u>58,681,262</u>	<u>56,636,371</u>
Accumulated surplus, end of the year	<u>\$ 66,543,770</u>	<u>\$ 61,357,328</u>	<u>\$ 58,681,262</u>

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

The Corporation of the Municipality of Northern Bruce Peninsula

Statement of Changes in Net Financial Assets

For the year ended December 31	2023 Budget (Note 9)	2023 Actual	2022 Actual (Restated) (Note 1)
Annual surplus (Page 2)	\$ 7,862,508	\$ 2,676,066	\$ 2,044,891
Acquisition of tangible capital assets	(12,155,181)	(4,175,850)	(2,988,630)
Amortization of tangible capital assets	-	2,765,963	2,638,973
Gain on sale of tangible capital assets	-	(41,473)	(2,573)
Proceeds on disposal of capital assets	-	41,522	82,578
	(12,155,181)	(1,409,838)	(269,652)
Change in inventories of supplies	-	(71,167)	9,224
Increase (decrease) in net financial assets	(4,292,673)	1,195,061	1,784,463
Net financial assets, beginning of the year	15,433,894	15,433,894	13,821,328
Change in accounting policy (Note 1)	-	-	(171,897)
Net financial assets, beginning of the year, restated	15,433,894	15,433,894	13,649,431
Net financial assets, end of the year	\$ 11,141,221	\$ 16,628,955	\$ 15,433,894

The Corporation of the Municipality of Northern Bruce Peninsula

Statement of Cash Flows

For the year ended December 31	2023	2022
		(Restated) (Note 1)
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 2)	\$ 2,676,066	\$ 2,044,891
Items not involving cash		
Asset retirement obligation accretion	20,249	19,366
Change in post-employment benefits and WSIB liabilities	85,000	(6,000)
Amortization	2,765,963	2,638,973
Deferred revenue recognized	(638,418)	(644,984)
Changes in inventory of supplies	(71,167)	9,224
Gain on sale of capital assets	(41,473)	(2,573)
	<u>4,796,220</u>	<u>4,058,897</u>
Changes in non-cash working capital balances		
Taxes receivable	(303,085)	11,364
Trade and other receivables	(906,187)	21,827
Inventory held for resale	(10,009)	(23,048)
Accounts payable and accrued liabilities	(140,660)	494,538
Deferred revenue received	544,327	696,831
	<u>3,980,606</u>	<u>5,260,409</u>
Capital transactions		
Cash used to acquire capital assets	(4,175,850)	(2,988,630)
Proceeds on sale of capital assets	41,522	82,578
	<u>(4,134,328)</u>	<u>(2,906,052)</u>
Investing activities		
Decrease (increase) in temporary investments	663,434	(6,379)
Increase in long-term receivables	(65,100)	-
Repayment of long-term receivables	5,789	5,463
	<u>604,123</u>	<u>(916)</u>
Financing activities		
Increase in long-term liabilities	65,100	-
Repayment of long-term liabilities	(102,014)	(97,195)
	<u>(36,914)</u>	<u>(97,195)</u>
Net change in cash and cash equivalents	413,487	2,256,246
Cash, beginning of the year	16,194,146	13,937,900
Cash, end of the year	\$ 16,607,633	\$ 16,194,146

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

The Corporation of the Municipality of Northern Bruce Peninsula

Summary of Significant Accounting Policies

December 31, 2023

Management Responsibility

The management of the Corporation of the Municipality of Northern Bruce Peninsula has prepared and is responsible for the integrity, objectivity and accuracy of the financial information presented in these financial statements. Council reviews and approves the financial statements.

Basis of Accounting

The financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada as prescribed by the Ministry of Municipal Affairs and Housing.

Revenues and expenses are reported on the accrual 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.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates 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. Estimates are used when accounting for items such as accrued grant receivables, accrued liabilities, useful lives of capital assets, taxation revenue, deferred revenues, post-employment benefits, WSIB liability and asset retirement obligation liability. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.

Cash and Cash Equivalents

Cash and cash equivalents include cash balances and short-term highly liquid investments that are readily converted into cash.

County and School Board

The municipality collects taxation revenue on behalf of the school boards and the County of Bruce. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the County of Bruce are not reflected in these financial statements.

Inventory of Supplies

Inventory held for consumption is recorded at the lower of cost and replacement cost. Cost is determined on a first-in first out basis.

The Corporation of the Municipality of Northern Bruce Peninsula

Summary of Significant Accounting Policies

December 31, 2023

Inventory Held For Resale

Inventory of goods held for resale is recorded at the lower of cost and net realizable value. Cost is determined on the first-in first-out basis.

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the assets is based on estimates made by management. The following rates are used:

Land improvements	20 to 40 years
Buildings	10 to 50 years
Equipment	4 to 10 years
Vehicles and machinery	5 to 10 years
Transportation infrastructure - Roads	15 to 75 years
Transportation infrastructure - Bridges	25 to 75 years
Water and sewer infrastructure	20 to 50 years

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

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when 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 is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

The Corporation of the Municipality of Northern Bruce Peninsula

Summary of Significant Accounting Policies

December 31, 2023

Post-Employment Benefits

The municipality provides post-employment health and life insurance benefits and other benefits to eligible retired employees. The benefits earned by employees are determined using management's best estimate of expected benefit costs and are expensed as services are rendered.

Previously the municipality was an employer included under Schedule 2 of the Workplace Safety and Insurance Act. It self-insured the entire risk of its own WSIB claims and was individually liable for reimbursing the WSIB for all costs relating to its workers' WSIB claims. The municipality is still liable for claims relating to Schedule 2 employer status prior to January 1, 2010. The cost of the claims are determined using management's best estimate.

The contributions to the Ontario Municipal Employee's Retirement System ("OMERS"), a multi-employer defined benefit plan, are expensed when contributions are due.

Liability for Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. Management has not identified any contaminated sites for which a liability needs to be recognized.

Trust Funds

Funds held in trust by the municipality and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.

The Corporation of the Municipality of Northern Bruce Peninsula

Summary of Significant Accounting Policies

December 31, 2023

Revenue Recognition

Revenues are recognized as follows:

- a) Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.
- b) Fines and donations are recognized when collected.
- c) Fees, user charges and other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.
- d) Investment income earned on surplus funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is recorded directly to each fund balance and forms part of the respective deferred revenue balances.
- e) Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Financial Instruments

Cash is measured at fair value. Taxes receivable, trade and other receivables, long-term receivables, accounts payable, accrued liabilities and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value

The Corporation of the Municipality of Northern Bruce Peninsula

Notes to Financial Statements

December 31, 2023

1. Change in Accounting Policies

Effective January 1, 2023, the Municipality adopted new Public Sector Accounting Handbook Standard 3280: Asset Retirement Obligations. The standard requires that the Municipality evaluate their assets for any potential asset retirement obligations. This change in accounting policy has been made in accordance with the modified retrospective approach of the standard. Under this method, the asset retirement obligation liability, adjusted for accumulated accretion to date, was measured as of January 1, 2022 with a corresponding adjustment to capital assets, accumulated amortization, and net assets. The impact of adoption of this standard at January 1, 2022 was as follows:

Increase in capital assets	\$	101,331
Increase in asset retirement obligation	\$	424,700
Decrease in solid waste landfill closure and post-closure liabilities	\$	252,803
Decrease in accumulated surplus	\$	70,566

The impact of adoption of this standard at December 31, 2022 was as follows:

Increase in amortization	\$	3,855
Increase in accretion expense	\$	19,366
Decrease in solid waste landfill expense	\$	21,810
Decrease in annual surplus	\$	1,411
Decrease in accumulated surplus	\$	71,997
Increase in asset retirement obligation	\$	444,066
Decrease in solid waste landfill closure and post-closure liabilities	\$	274,613
Increase in capital assets	\$	97,476

On January 1, 2023 the Municipality adopted PS 3450 Financial Instruments which establishes standards for recognizing and measuring financial assets, financial liabilities and derivatives. This standard is required to be adopted prospectively, therefore comparative figures have not been restated.

The Corporation of the Municipality of Northern Bruce Peninsula

Notes to Financial Statements

December 31, 2023

2. Cash and Temporary Investments

	2023	2022
Cash	\$ 16,607,633	\$ 16,194,146
Temporary investments (GIC, 4.7%, matured December 2023)	-	663,434
	\$ 16,607,633	\$ 16,857,580

On the general bank account; interest is earned at the average monthly prime rate less 1.85%. For the general bank account balance of \$4,000,000 and greater, interest is earned at the average monthly prime rate less 1.75%.

3. Long-Term Receivables

	2023	2022
Tile drainage loans, 6%, due 2033	107,286	47,975

4. Asset Retirement Obligations

The Municipality's financial statements include an asset retirement obligation related to remediation required for asbestos present in 4 municipal buildings, along with closure and post-closure costs of the Municipality's 3 landfill sites. As at year-end, an obligation of \$464,315 has been accrued on the balance sheet. This amount was determined based on total undiscounted expenditures of \$922,775 present valued at a discount rate of 4.56% as follows:

Buildings with asbestos	13 - 25 years
Landfill Closure Costs	3 - 100 years
Landfill Post-Closure Costs	20 years

Payment to settle the asset retirement obligations will occur at the end of their life in full.

	2023	2022
		(Restated Note 1)
Asset retirement obligation, opening	\$ 444,066	\$ 424,700
Accretion expense	20,249	19,366
Asset retirement obligation, closing	\$ 464,315	\$ 444,066

The Corporation of the Municipality of Northern Bruce Peninsula

Notes to Financial Statements

December 31, 2023

5. Long-Term Liabilities

The balance of long-term liabilities reported on the statement of financial position is made up of the following:

	<u>2023</u>	<u>2022</u>
Tile drainage loans payable, 6%, due 2033	\$ 107,286	\$ 47,975
Loan payable, Infrastructure Ontario, 4.84%, payable in blended semi-annual payments of \$58,952, due 2027	<u>375,452</u>	<u>471,677</u>
	<u>\$ 482,738</u>	<u>\$ 519,652</u>

The gross interest paid during the year relating to the above long-term debt was \$22,690.

The gross interest expensed during the year was \$20,929.

Principal payments for the next five fiscal years and thereafter are as follows:

2024	\$ 110,140
2025	\$ 115,637
2026	\$ 121,409
2027	\$ 68,518
2028	\$ 11,616
Thereafter	<u>\$ 55,418</u>
	<u>\$ 482,738</u>

The Corporation of the Municipality of Northern Bruce Peninsula
Notes to Consolidated Financial Statements

6. Tangible Capital Assets

								2023
	Land	Land Improvements	Buildings	Equipment	Vehicles and Machinery	Transportation Infrastructure	Water and Sewer Infrastructure	Total
Cost, beginning of the year	\$4,221,962	\$ 2,086,500	\$ 18,681,221	\$ 3,828,599	\$5,316,349	\$ 53,071,430	\$ 3,786,925	\$ 90,992,986
Additions	-	10,343	867,844	814,883	690,217	1,663,294	129,269	4,175,850
Disposals	-	-	-	(135,917)	-	-	-	(135,917)
Cost, end of the year	4,221,962	2,096,843	19,549,065	4,507,565	6,006,566	54,734,724	3,916,194	95,032,919
Accumulated amortization, beginning of the year	-	1,394,320	7,893,866	2,611,232	3,039,297	30,898,059	2,116,737	47,953,511
Amortization	-	67,570	370,268	233,024	320,821	1,700,641	73,639	2,765,963
Disposals	-	-	-	(135,868)	-	-	-	(135,868)
Accumulated amortization, end of the year	-	1,461,890	8,264,134	2,708,388	3,360,118	32,598,700	2,190,376	50,583,606
Net carrying amount, end of the year	\$4,221,962	\$ 634,953	\$ 11,284,931	\$ 1,799,177	\$ 2,646,448	\$ 22,136,024	\$ 1,725,818	\$ 44,449,313

The Corporation of the Municipality of Northern Bruce Peninsula
Notes to Consolidated Financial Statements

6. Tangible Capital Assets - (continued)

								2022 Restated (Note 1)
	Land	Land Improvements	Buildings	Equipment	Vehicles and Machinery	Transportation Infrastructure	Water and Sewer Infrastructure	Total
Cost, beginning of the year	\$4,221,962	\$ 2,075,862	\$ 18,504,164	\$ 3,553,950	\$ 5,601,003	\$ 50,662,055	\$ 3,786,925	\$ 88,405,921
Additions	-	10,638	177,057	289,794	20,136	2,491,005	-	2,988,630
Disposals	-	-	-	(15,145)	(304,790)	(81,630)	-	(401,565)
Cost, end of the year	4,221,962	2,086,500	18,681,221	3,828,599	5,316,349	53,071,430	3,786,925	90,992,986
Accumulated amortization, beginning of the year	-	1,326,735	7,526,280	2,438,438	2,955,974	29,346,300	2,042,371	45,636,098
Amortization	-	67,585	367,586	181,462	327,915	1,620,059	74,366	2,638,973
Disposals	-	-	-	(8,668)	(244,592)	(68,300)	-	(321,560)
Accumulated amortization, end of the year	-	1,394,320	7,893,866	2,611,232	3,039,297	30,898,059	2,116,737	47,953,511
Net carrying amount, end of the year	\$4,221,962	\$ 692,180	\$ 10,787,355	\$ 1,217,367	\$ 2,277,052	\$ 22,173,371	\$ 1,670,188	\$ 43,039,475

The Corporation of the Municipality of Northern Bruce Peninsula

Notes to Financial Statements

December 31, 2023

6. Tangible Capital Assets - (continued)

At December 31, 2023, there was \$700,258 work in progress that was not being amortized.

There were no contributed assets recognized in the financial statements during the year.

The municipality holds various works of art and historical treasures pertaining to local history on display at the St. Edmunds 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.

7. Accumulated Surplus

Accumulated surplus consists of individual fund surplus (deficits) and reserves as follows:

	2023	2022 Restated (Note 1)
Invested in tangible capital assets		
Tangible capital assets at cost less amortization	\$ 44,449,313	\$ 43,039,475
Capital assets financed by long-term liabilities and to be funded in future years	(375,452)	(471,677)
Total invested in capital assets	44,073,861	42,567,798
Unfunded post-employment benefits	(236,500)	(151,500)
Asset retirement obligation	(464,315)	(444,066)
	43,373,046	41,972,232
Reserves and reserve funds (Note 8)	17,984,282	16,709,030
Accumulated surplus	<u>\$ 61,357,328</u>	<u>\$ 58,681,262</u>

The Corporation of the Municipality of Northern Bruce Peninsula
Notes to Financial Statements

December 31, 2023

8. Reserves and Reserve Funds Set Aside for Specific Purpose by Council

	<u>2023</u>	<u>2022</u>
Reserves		
Working funds	\$ 921,165	\$ 921,165
Current purposes	3,095,173	2,406,219
Capital purposes	12,657,586	12,128,429
Tax rate stablization	187,390	
	<u>16,861,314</u>	<u>15,455,813</u>
Reserve funds		
Capital purposes	<u>1,122,968</u>	<u>1,253,217</u>
Reserves and reserve funds set aside for specific purpose by Council	<u>\$17,984,282</u>	<u>\$ 16,709,030</u>

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The Corporation of the Municipality of Northern Bruce Peninsula

Notes to Financial Statements

December 31, 2023

9. Budgets

Under Canadian public sector accounting standards, budget amounts are to be reported on the statement of operations and accumulated surplus and changes in net financial assets for comparative purposes. The 2023 budget amounts for the Corporation of the Municipality of Northern Bruce Peninsula approved by Council have been reclassified to conform to the presentation of the statements of operations and accumulated surplus and changes in net financial assets. The following is a reconciliation of the budget approved by Council.

	2023 Budget	2023 Actual	2022 Actual Restated (Note 1)
Annual surplus (Page 2)	\$ 7,862,508	\$ 2,676,066	\$ 2,044,891
Amortization	-	2,765,963	2,638,973
	7,862,508	5,442,029	4,683,864
Net transfers to reserves and reserve funds	(734,474)	(1,599,030)	(1,263,395)
Transfers from reserves for capital	5,143,647	1,192,370	600,972
Capital acquisitions, disposals and write-down	(12,155,181)	(4,175,801)	(2,908,625)
Debt principal repayments	(116,500)	(96,225)	(91,732)
Change in unfunded liabilities	-	105,249	15,810
Surplus	-	868,592	1,036,894
Surplus transfer to reserve per resolution	-	(868,592)	(1,036,894)
	\$ -	\$ -	\$ -

10. Other Income

	2023 Budget	2023 Actual	2022 Actual
Penalties and interest on taxation	\$ 230,000	\$ 218,012	\$ 223,400
Other fines and penalties	150,000	135,121	167,960
Investment income	269,000	979,732	422,306
Licenses, permits and rents	316,800	382,354	413,740
Donations	11,400	62,914	189,112
Gain on disposition of capital assets	5,000	41,473	8,943
Short term accommodation fees	425,000	546,603	421,380
Insurance recoveries	7,600	22,562	296,677
	\$ 1,414,800	\$ 2,388,771	\$ 2,143,518

The Corporation of the Municipality of Northern Bruce Peninsula

Notes to Financial Statements

December 31, 2023

11. Government Transfers

	2023 Budget	2023 Actual	2022 Actual
Operating Transfers			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	\$ 1,700,000	\$ 1,700,000	\$ 1,581,900
Roads	25,000	20,909	26,694
Sewer and water	36,000	35,250	35,250
Other	219,000	270,865	232,001
	<u>1,980,000</u>	<u>2,027,024</u>	<u>1,875,845</u>
Government of Canada			
Roads	20,000	22,115	19,364
Sewer and water	30,000	82,511	42,495
Other	20,000	8,680	937
	<u>70,000</u>	<u>113,306</u>	<u>62,796</u>
Other Municipalities			
Sewer and water	38,250	26,933	32,712
Other	18,300	18,458	9,438
	<u>56,550</u>	<u>45,391</u>	<u>42,150</u>
Total operating transfers	<u>2,106,550</u>	<u>2,185,721</u>	<u>1,980,791</u>
Capital Transfers			
Province of Ontario			
Roads	346,792	346,792	207,991
Sewer and water	33,750	7,311	25,510
Other	1,655,092	224,155	100,132
	<u>2,035,634</u>	<u>578,258</u>	<u>333,633</u>
Government of Canada			
Roads	180,000	180,000	350,000
Other	2,035,392	307,121	37,571
	<u>2,215,392</u>	<u>487,121</u>	<u>387,571</u>
Total capital transfers	<u>4,251,026</u>	<u>1,065,379</u>	<u>721,204</u>
Total contributions	<u>\$ 6,357,576</u>	<u>\$ 3,251,100</u>	<u>\$ 2,701,995</u>

The Corporation of the Municipality of Northern Bruce Peninsula

Notes to Financial Statements

December 31, 2023

12. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 47 members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement entitlement to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The employer amount contributed to OMERS for 2023 was \$284,996 (2022 - \$226,805). The contribution rate for 2023 was 9.0% to 15.8% depending on age and income level (2022 - 9.0% to 15.8%).

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 December 31, 2023. At that time the plan reported a \$4.20 billion actuarial deficit (2022 - \$6.68 billion), based on actuarial liabilities of \$134.57 billion (2022 - \$128.79 billion) and actuarial assets of \$130.37 billion (2022 - \$122.11 billion). Ongoing adequacy of the current contribution rates will need to be monitored as declines in the financial markets may lead to increased future funding requirements.

13. Workplace Safety and Insurance Board (WSIB)

Effective January 1, 2010 the Municipality of Northern Bruce Peninsula elected to be a Schedule 1 employer. Previously, under the provisions of the Workplace Safety and Insurance Board Act, the Municipality of Northern Bruce Peninsula had elected to be treated as a Schedule 2 employer and remit payments to the WSIB as required to fund disability payments. The municipality is still liable for events which took place while they were a Schedule 2 employer.

	2023	2022
WSIB future benefit	\$ 81,000	\$ -

An Actuarial valuation for accounting purposes was performed using the projected benefit method. The actuarial report was prepared as at December 31, 2023.

The actuarial valuation was based on a number of assumptions such as, discount rates, wage increases, and WSIB payment rates. The assumptions used reflect management's best estimates. The WSIB benefit liability was determined using a discount rate of 4.3% (2022 - 2.2%).

	2023	2022
Current period benefit cost	\$ (6,000)	\$ (4,200)
Actuarial loss	87,000	-
Total expense for the year	81,000	(4,200)

The Corporation of the Municipality of Northern Bruce Peninsula

Notes to Financial Statements

December 31, 2023

14. Retirement and Post-Employment Benefit

The Municipality of Northern Bruce Peninsula provides certain benefits, including retirement benefits and other post-employment benefits, to its employees. Payments for these benefits totalled \$11,200 (2022 - \$8,900). The post-employment benefit at December 31 includes the following components:

	2023	2022
Retirement benefits	\$ 105,200	\$ 131,900
Unamortized actuarial gain	50,300	19,600
	\$ 155,500	\$ 151,500

Actuarial valuations are performed using the projected benefit method, pro-rated on services. The most recent actuarial report was prepared as at December 31, 2023.

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 expected inflation rate is 4.4% decreasing to 2% in 2026. The employee salaries are expected to increase 3% per year. The post-employment benefit liability was determined using a discount rate of 4.3% (2022 - 2.2%). For extended health care costs, a 7.11% annual rate of increase was assumed for 2023, decreasing to an ultimate rate of 4.5% per year for 2044. For dental costs, a 4.5% annual rate of increase was assumed.

	2023	2022
Current period benefit cost	\$ 11,200	\$ 8,900
Interest costs	2,900	2,900
Benefit payments	-	(4,600)
Retirement benefit expense	14,100	7,200
Amortization of actuarial gain	(10,100)	(9,000)
Total expense for the year	\$ 4,000	\$ (1,800)

The Corporation of the Municipality of Northern Bruce Peninsula

Notes to Financial Statements

December 31, 2023

15. Operations of School Boards and the County of Bruce

During the year, the following taxation revenue was raised and remitted to the school boards and the County of Bruce:

	2023	2022
School boards	\$ 2,902,529	\$ 2,804,839
County of Bruce	8,480,679	7,681,971
	\$ 11,383,208	\$ 10,486,810

16. Trust Funds

The trust funds administered by the municipality amounting to \$256,873 (2022 - \$246,999) have not been included in the statement of financial position nor have the operations been included in the statement of operations and accumulated surplus.

17. Contractual Commitments

The Corporation of the Municipality of Northern Bruce Peninsula has entered into a contract for the reconstruction of Isthmus Bay Road - Phase 2 for \$1,373,050. Cost incurred to December 31, 2023 were \$357,800 with estimated costs of completion of \$1,015,250.

Council approved the commencement of the design and construction of the Lion's Head Arena Project and that the project costs be capped at \$10,000,000 excluding HST and architectural fees. As at December 31, 2023, Council awarded a tender of \$1,121,220 for the design phase of the project. The estimated costs of completion in 2024 is \$566,940.

Subsequent to yearend the Corporation of the Municipality of Northern Bruce Peninsula Council awarded a tender of \$1,003,632 including HST for the replacement of the Judges Bridge.

The Corporation of the Municipality of Northern Bruce Peninsula

Notes to Financial Statements

December 31, 2023

18. Contingencies

The municipality has claims that are in proceedings through their insurance company. The municipality's liability with respect to these claims is not determinable at this time. Management is of the opinion that the municipality maintains adequate and appropriate liability and errors and omissions insurance to protect the municipality against such claims.

19. Financial Instruments

Financial Instrument Risk Management

The Municipality of Northern Bruce Peninsula is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the Municipality's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Municipality is exposed to interest rate risk arising from the changes in interest rates on its variable rate bank account.

Credit Risk

The Municipality is exposed to credit risk arising from its cash, taxes receivable, trade and other receivables and long-term receivables. On December 31, 2023, the Municipality had deposits of \$16,133,640 in a Canadian Chartered bank and \$694,438 in a separate Canadian Chartered bank. The Canadian Deposit Insurance Corporation insures deposits up to a maximum of \$100,000 per depositor. There is the possibility of non-collection of taxes receivable, trade and other receivables and long-term receivables. The majority of the Municipality's receivables are from ratepayers and government entities. For receivables, the Municipality measures impairment of each receivable type based on how long the amounts have been outstanding. The amounts outstanding at year end, which is the Municipality's maximum exposure to credit risk was as follows:

The Corporation of the Municipality of Northern Bruce Peninsula

Notes to Financial Statements

December 31, 2023

19. Financial Instruments - (continued)

	0 - 30 days	31 - 90 days	91 - 365 days	1 to 2 years	3 to 10 years
Cash	\$ 16,607,633	\$ -	\$ -	\$ -	-
Taxes receivable	488,174	-	-	404,169	293,346
Trade and other receivables	1,728,776	7,529	27,504	-	-
Long-term receivables	-	-	-	18,955	88,331
Total	\$ 18,824,583	\$ 7,529	\$ 27,504	\$ 423,124	\$ 381,677

Liquidity Risk

Liquidity risk is the risk that the Municipality encounters difficulty in meeting its obligations as they fall due. The Municipality has a planning and budgeting process in place to help determine the funds required to support the Municipality's normal operating requirements on an ongoing basis. The Municipality is exposed to liquidity risk through its accounts payable and accrued liabilities and long-term liabilities. The Municipality ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. Further, the Municipality seeks to maintain an available line of credit balance as approved by the appropriate borrowing by-law to meet, at a minimum, expected requirements for a period of at least 90 days. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Within 6 months	6 months to 1 year	1 - 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 1,537,731	\$ -	\$ -	-
Long-term debt	54,467	55,674	317,180	55,417
Total financial liabilities	\$ 1,592,198	\$ 55,674	\$ 317,180	\$ 55,417

The Corporation of the Municipality of Northern Bruce Peninsula

Notes to Financial Statements

December 31, 2023

20. Segmented Information

The Corporation of the Municipality of Northern Bruce Peninsula is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, sewer, water, waste collection and disposal, health services, recreation and planning. 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 item related to the revenues and expenses that relate to the governance and 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, emergency measures and building and structural 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. The members of the fire department consist of volunteers. The building department provides a number of services including maintenance and enforcement of building and construction codes and review of all property development plans through its application process.

Transportation

Transportation is responsible for construction and maintenance of the municipality's roadways, bridges, parking areas and streetlighting. Transportation also includes the provision of air transportation through the airport in Tobermory.

The Corporation of the Municipality of Northern Bruce Peninsula

Notes to Financial Statements

December 31, 2023

20. Segmented Information - (continued)

Environmental

Environmental services consists of providing waste collection, disposal and recycling to the municipality's citizens. It also consists of providing the municipality's drinking water and processing and cleaning sewage. The municipality ensures water and sewage systems meet all provincial standards.

Health

Health services includes the operations of local cemeteries.

Recreational and Cultural Services

This service area provides services meant to improve the health and development of the municipality's citizens. The municipality operates and maintains parks, marinas, arenas, community centres, campgrounds and a museum. The municipality also provides library services and recreational programs.

Planning and Development

This department is responsible for planning and zoning including the official plan. This service area also includes tourist information and promotion and drainage.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

Taxation, payments-in-lieu

Allocated to those segments that are funded by these amounts based on the budget for the year.

OMPF Grants

Allocated to segments based on the budget for the year.

The Corporation of the Municipality of Northern Bruce Peninsula
Notes to Consolidated Financial Statements

For the year ended December 31, 2023	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2023 Total
Revenue								
Taxation	\$ 1,177,234	\$ 2,173,357	\$ 3,531,706	\$ 633,896	\$ 90,557	\$ 1,267,792	\$ 181,113	\$ 9,055,655
Fees and user charges	33,837	182,403	715,533	837,455	66,244	1,514,695	18,690	3,368,857
Specific grants	11,060	5,000	569,815	403,328	-	549,954	11,943	1,551,100
OMPF grant	221,000	408,000	663,000	119,000	17,000	238,000	34,000	1,700,000
Other revenue	1,146,127	464,641	16,591	41,288	78,652	79,199	562,273	2,388,771
	2,589,258	3,233,401	5,496,645	2,034,967	252,453	3,649,640	808,019	18,064,383
Expenses								
Salaries and benefits	1,294,213	729,367	1,081,226	158,570	8,320	827,072	121,069	4,219,837
Interest on debt	-	-	-	19,918	-	-	2,772	22,690
Materials and supplies	573,601	557,751	1,626,869	451,487	86,947	1,471,973	313,020	5,081,648
Contracted services	222,189	1,434,736	126,050	903,210	56,726	2,276	-	2,745,187
Other transfers	-	-	-	-	248,705	-	155,810	404,515
Rents and financial expenses	-	-	462	-	-	127,766	-	128,228
Amortization	51,971	191,876	1,958,330	262,327	34,729	266,730	-	2,765,963
Accretion	1,635	-	-	18,614	-	-	-	20,249
	2,143,609	2,913,730	4,792,937	1,814,126	435,427	2,695,817	592,671	15,388,317
Annual surplus (deficit)	\$ 445,649	\$ 319,671	\$ 703,708	\$ 220,841	\$ (182,974)	\$ 953,823	\$ 215,348	\$ 2,676,066

The Corporation of the Municipality of Northern Bruce Peninsula
Notes to Consolidated Financial Statements

For the year ended December 31, 2022	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	Restated (Note 1) 2022 Total
Revenue								
Taxation	\$ 243,896	\$ 1,788,569	\$ 3,251,944	\$ 650,389	\$ 81,299	\$ 1,056,882	\$ 1,056,882	\$ 8,129,861
Fees and user charges	20,008	910,409	13,755	760,664	76,428	1,310,431	25,158	3,116,853
Specific grants	84,320	5,500	604,049	316,388	-	85,009	24,829	1,120,095
OMPF grant	47,457	348,018	632,760	126,552	15,819	205,647	205,647	1,581,900
Other revenue	632,422	508,284	12,475	13,151	216,019	333,417	427,750	2,143,518
	1,028,103	3,560,780	4,514,983	1,867,144	389,565	2,991,386	1,740,266	16,092,227
Expenses								
Salaries and benefits	1,023,841	600,903	1,014,158	162,487	-	666,019	104,434	3,571,842
Interest on debt	-	-	-	24,494	-	-	3,300	27,794
Materials and supplies	512,197	536,899	1,440,882	451,303	124,231	1,173,770	447,002	4,686,284
Contracted services	251,435	1,423,870	200,822	866,969	59,624	2,276	-	2,804,996
Other transfers	-	-	-	-	-	-	166,453	166,453
Rents and financial expenses	-	-	1,002	2,206	509	127,911	-	131,628
Amortization	39,079	159,785	1,872,279	275,111	33,201	259,518	-	2,638,973
Accretion	1,564	-	-	17,802	-	-	-	19,366
	1,828,116	2,721,457	4,529,143	1,800,372	217,565	2,229,494	721,189	14,047,336
Annual surplus	\$ (800,013)	\$ 839,323	\$ (14,160)	\$ 66,772	\$ 172,000	\$ 761,892	\$ 1,019,077	\$ 2,044,891

The Corporation of the Municipality of Northern Bruce Peninsula
Schedule of Deferred Revenue

For the year ended December 31, 2023

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Canada Community- Building Fund	\$ 47,300	\$ 132,343	\$ 6,991	\$ (180,000)	\$ 6,634
Recreational land	116,722	10,000	5,764	-	132,486
	164,022	142,343	12,755	(180,000)	139,120
Other					
Source Protection Municipal Implementation Fund	13,977	-	-	(1,700)	12,277
Other	104,674	29,837	-	(82,500)	52,011
Museum Trillium Grant	47,207	-	-	(7,515)	39,692
OCIF Funding	174,490	346,792	12,600	(366,703)	167,179
	\$ 504,370	\$ 518,972	\$ 25,355	\$ (638,418)	\$ 410,279

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**The Corporation of the Municipality of
Northern Bruce Peninsula
Trust Funds
Financial Information
For the year ended December 31, 2023**

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**The Corporation of the Municipality of Northern Bruce Peninsula
Trust Funds
For the year ended December 31, 2023**

Contents

The Corporation of the Municipality of Northern Bruce Peninsula Trust Funds

Independent Auditor's Report	3 - 4
Balance Sheet	5
Statement of Continuity	5
Notes to Financial Information	6

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Independent Auditor's Report

To the Members of Council
of the Corporation of the Municipality of Northern Bruce Peninsula

Opinion

We have audited the accompanying financial information for the Corporation of the Municipality of Northern Bruce Peninsula Trust Funds (Trust Funds), which comprise the balance sheet as at December 31, 2023, the statement of continuity for the year then ended, and notes to the financial information including a summary of significant accounting policies.

In our opinion, the financial information presents fairly, in all material respects, the balance sheet for the Trust Funds as at December 31, 2023 and the statement of continuity 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 Information* section of our report. We are independent of the Trust Funds in accordance with the ethical requirements that are relevant to our audit of the financial information 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.

Other Matter

The financial information for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on August 2, 2023.

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

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

In preparing the financial information, management is responsible for assessing the Trust Funds 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 Trust Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Funds financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the financial information 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 this financial information.

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 information, 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 Trust Funds 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 Trust Funds 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 information 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 Trust Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information, including the disclosures, and whether the financial information represents the underlying transactions and events in a manner that achieves fair presentation.

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.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario
Report Date, 2025

The Corporation of the Municipality of Northern Bruce Peninsula
Trust Funds
Balance Sheet

December 31, 2023

Assets	Cemetery Perpetual Care and Maintenance
Cash	\$ 259,650
Due from general account	-
	<u>\$ 259,650</u>
Liabilities	
Due to general account	\$ 2,777
Fund balance	<u>256,873</u>
	<u>\$ 259,650</u>

Statement of Continuity

For the year ended December 31, 2023

	Cemetery Perpetual Care and Maintenance
Balance, beginning of the year	<u>\$ 247,064</u>
Receipts	
Bank interest	12,586
Care and maintenance	<u>9,809</u>
	<u>22,395</u>
Expenses	
Transfer to municipality	<u>12,586</u>
Balance, end of the year	<u>\$ 256,873</u>

The Corporation of the Municipality of Northern Bruce Peninsula
Trust Funds
Notes to Financial Information

December 31, 2023

1. Summary of Significant Accounting Policies

Management Responsibility The management of the Corporation of the Municipality of Northern Bruce Peninsula has prepared and is responsible for the integrity, objectivity and accuracy of the financial information. Council reviews and approves the financial information.

Basis of Accounting The financial information has been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada.

Revenues and expenses are reported on the accrual 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.

Basis of Consolidation These trust funds have not been consolidated with the financial statements of the Corporation of the Municipality of Northern Bruce Peninsula.

Use of Estimates The preparation of financial information in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial information, and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.

Financial Instrument Cash is measured at fair value. All other financial instruments are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the balance sheet. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of continuity. Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost.

The Corporation of the Municipality of Northern Bruce Peninsula

Summary of Significant Accounting Policies

December 31, 2023

2. Financial Instruments

The Trust is exposed to risks that arise from its use of financial instruments. The trust's financial instruments consist of cash and due to the general account. It is management's opinion that the Trust is not exposed to significant currency risk arising from these financial instruments. The Trust is exposed to interest rate risk arising from its bank accounts. The trust is exposed to credit risk relating to its cash. The cash is held in Canadian Chartered banks. Amounts due to the Municipality are due within 30 days and is a liquidity risk to the Trust.

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