

The Corporation of the Town of
South Bruce Peninsula
Financial Information
For the year ended December 31, 2023

The Corporation of the Town of South Bruce Peninsula
Financial Information
For the year ended December 31, 2023

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Independent Auditor's Report

To the Members of Council of the
Corporation of the Town of South Bruce Peninsula

Opinion

We have audited the accompanying consolidated financial statements of the Corporation of the Town of South Bruce Peninsula (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2023, and the consolidated results of its operations, consolidated changes in net financial assets and accumulated surplus, and 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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

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

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



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario
September 16, 2024

The Corporation of the Town of South Bruce Peninsula
Consolidated Statement of Financial Position

December 31	2023	2022 (Restated) (Note 1)
Financial assets		
Cash and temporary investments (Note 2)	\$21,150,137	\$ 21,720,761
Taxes receivable	1,200,264	1,039,729
Trade and other receivables	4,755,904	3,822,904
Inventory held for resale	27,402	25,072
	<u>27,133,707</u>	<u>26,608,466</u>
Liabilities		
Accounts payable and accrued liabilities	3,561,046	4,667,327
Asset retirement obligation (Note 3)	1,931,299	1,821,980
Post employment benefits (Note 12)	1,031,589	757,485
Deferred revenue (Page 33)	1,239,902	1,746,254
Long-term liabilities (Note 4)	2,745,780	125,830
	<u>10,509,616</u>	<u>9,118,876</u>
Net financial assets	<u>16,624,091</u>	<u>17,489,590</u>
Non-financial assets		
Inventory of supplies	158,164	267,758
Prepaid expenses	697,731	639,047
Tangible capital assets (Note 5)	80,690,401	72,845,198
	<u>81,546,296</u>	<u>73,752,003</u>
Accumulated surplus (Note 6)	<u>\$98,170,387</u>	<u>\$ 91,241,593</u>

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

**The Corporation of the Town of South Bruce Peninsula
Consolidated Statement of Operations and Accumulated Surplus**

For the year ended December 31	2023	2023	2022
	Budget (Note 8)	Actual	Actual (Restated) (Note 1)
Revenue			
Taxation	\$ 11,858,270	\$11,838,199	\$ 11,591,048
Fees and user charges	4,945,490	4,938,966	4,984,365
Government transfers (Note 10)	5,378,620	8,164,684	7,404,299
Other income (Note 9)	3,005,830	4,185,042	3,601,894
	<u>25,188,210</u>	<u>29,126,891</u>	<u>27,581,606</u>
Expenses			
General government	3,402,560	3,522,234	3,996,889
Protection services	4,312,940	4,837,231	3,919,173
Transportation services	4,536,660	5,510,921	4,986,230
Environmental services	2,843,850	4,418,199	4,661,309
Health services	28,310	9,332	11,325
Recreation and cultural services	2,944,040	3,339,323	2,835,239
Planning and development	471,700	560,857	606,973
	<u>18,540,060</u>	<u>22,198,097</u>	<u>21,017,138</u>
Annual surplus (Note 8)	<u>6,648,150</u>	<u>6,928,794</u>	<u>6,564,468</u>
Accumulated surplus, beginning of the year	91,241,593	91,241,593	85,714,682
Change in accounting policy (Note 1)	-	-	(1,037,557)
Accumulated surplus, beginning of the year, restated	<u>91,241,593</u>	<u>91,241,593</u>	<u>84,677,125</u>
Accumulated surplus, end of the year	<u>\$ 97,889,743</u>	<u>\$98,170,387</u>	<u>\$ 91,241,593</u>

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

The Corporation of the Town of South Bruce Peninsula
Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31	2023	2023	2022
	Budget (Note 8)	Actual	Actual (Restated) (Note 1)
Annual surplus (Page 6)	\$ 6,648,150	\$ 6,928,794	\$ 6,564,468
Acquisition of tangible capital assets	(6,617,650)	(11,148,840)	(7,110,338)
Amortization of tangible capital assets	-	2,922,642	2,747,252
Loss (gain) on sale of tangible capital assets	-	363,522	(69,431)
Proceeds on disposal of capital assets	-	17,473	224,354
	<u>(6,617,650)</u>	<u>(7,845,203)</u>	<u>(4,208,163)</u>
Change in prepaid expenses	-	(58,684)	(20,808)
Change in inventories of supplies	-	109,594	(137,360)
	<u>-</u>	<u>50,910</u>	<u>(158,168)</u>
Increase (decrease) in net financial assets	<u>30,500</u>	<u>(865,499)</u>	<u>2,198,137</u>
Net financial assets, beginning of the year	17,489,590	17,489,590	16,460,664
Change in accounting policy (Note 1)	<u>-</u>	<u>-</u>	<u>(1,169,211)</u>
Net financial assets, beginning of the year, restated	<u>17,489,590</u>	<u>17,489,590</u>	<u>15,291,453</u>
Net financial assets, end of the year	<u>\$ 17,520,090</u>	<u>\$ 16,624,091</u>	<u>\$ 17,489,590</u>

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

The Corporation of the Town of South Bruce Peninsula
Consolidated 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 6)	\$ 6,928,794	\$ 6,564,468
Items not involving cash		
Change in post-employment benefits and WSIB liabilities	274,104	(7,435)
Asset retirement obligation accretion	109,319	109,084
Amortization	2,922,642	2,747,252
Deferred revenue recognized	(1,656,317)	(1,650,190)
Changes in inventory of supplies	109,594	(137,360)
Change in prepaid expenses	(58,684)	(20,808)
Loss (gain) on sale of capital assets	363,522	(69,431)
	<u>8,992,974</u>	<u>7,535,580</u>
Changes in non-cash working capital balances		
Taxes receivable	(160,535)	(140,249)
Trade and other receivables	(933,000)	(1,926,081)
Inventory held for resale	(2,330)	(11,932)
Accounts payable and accrued liabilities	(1,106,281)	1,663,677
Deferred revenue received	1,149,965	1,603,770
	<u>7,940,793</u>	<u>8,724,765</u>
Capital transactions		
Cash used to acquire capital assets	(11,148,840)	(7,110,338)
Proceeds on sale of capital assets	17,473	224,354
	<u>(11,131,367)</u>	<u>(6,885,984)</u>
Investing activities		
Change in temporary investments	(1,864,045)	(6,470,800)
Financing activities		
Additions to long-term liabilities	2,703,225	-
Repayment of long-term liabilities	(83,275)	(80,887)
	<u>2,619,950</u>	<u>(80,887)</u>
Net change in cash and cash equivalents	(2,434,669)	(4,712,906)
Cash, beginning of the year (Note 2)	<u>8,848,052</u>	<u>13,560,958</u>
Cash, end of the year (Note 2)	<u>\$ 6,413,383</u>	<u>\$ 8,848,052</u>

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

The Corporation of the Town of South Bruce Peninsula
Summary of Significant Accounting Policies

December 31, 2023

Management Responsibility The management of the Corporation of the Town of South Bruce Peninsula has prepared and is responsible for the integrity, objectivity and accuracy of the financial information presented in these consolidated financial statements. Council reviews and approves the consolidated financial statements.

Basis of Accounting The consolidated 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.

Basis of Consolidation The consolidated statements reflect the assets, liabilities, revenues and expenses of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenses have been eliminated on consolidation.

The following boards are controlled by Council and have been consolidated:

Warton Business Improvement Area	100%
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A government partnership exists where the municipality has shared control over the board or entity. The municipality's pro-rata share of the assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The municipality's proportionate interest of the following government partnerships are reflected in the consolidated financial statements:

Bruce Area Solid Waste Recycling	20.74%
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The Corporation of the Town of South Bruce Peninsula

Summary of Significant Accounting Policies

December 31, 2023

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 liabilities. 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.										
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.										
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	<p>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:</p> <table><tr><td>Land improvements</td><td>10 to 50 years</td></tr><tr><td>Buildings</td><td>25 to 50 years</td></tr><tr><td>Equipment</td><td>5 to 25 years</td></tr><tr><td>Vehicles</td><td>5 to 25 years</td></tr><tr><td>Infrastructure</td><td>10 to 75 years</td></tr></table> <p>Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.</p>	Land improvements	10 to 50 years	Buildings	25 to 50 years	Equipment	5 to 25 years	Vehicles	5 to 25 years	Infrastructure	10 to 75 years
Land improvements	10 to 50 years										
Buildings	25 to 50 years										
Equipment	5 to 25 years										
Vehicles	5 to 25 years										
Infrastructure	10 to 75 years										

The Corporation of the Town of South 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 December 8, 2013. 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.

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.

The Corporation of the Town of South Bruce Peninsula Summary of Significant Accounting Policies

December 31, 2023

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.
Revenue Recognition	<p>Revenues are recognized as follows:</p> <ol style="list-style-type: none">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.

The Corporation of the Town of South Bruce Peninsula
Summary of Significant Accounting Policies

December 31, 2023

Financial Instruments

Cash is measured at fair value. All other financial instruments; investments, taxes receivable, trade and other receivables, accounts payable and 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

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 Town of South Bruce Peninsula
Summary of Significant Accounting Policies

December 31, 2023

1. Change in Accounting Policy

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	\$ 131,654
Increase in asset retirement obligation	\$ 1,712,896
Decrease in solid waste landfill closure and post-closure liabilities	\$ 543,685
Decrease in accumulated surplus	\$ 1,037,557

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

Increase in amortization	\$ 7,620
Increase in accretion expense	\$ 102,774
Increase in environmental expense	\$ 29,722
Decrease in annual surplus	\$ 140,116
Decrease in accumulated surplus	\$ 1,177,673
Increase in asset retirement obligation	\$ 1,821,980
Increase in capital assets	\$ 130,344
Decrease in solid waste landfill closure and post-closure liabilities	\$ 513,963

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 Town of South Bruce Peninsula
Summary of Significant Accounting Policies

December 31, 2023

2. Cash and Temporary Investments

	<u>2023</u>	<u>2022</u>
Cash	\$ 6,413,383	\$ 8,848,052
Temporary investments	14,736,754	12,872,709
	<u>\$21,150,137</u>	<u>\$ 21,720,761</u>

Cash balances of \$6,885,967 as at December 31, 2023 were earning interest at a rate of prime less 1.75%. The municipality's cash balances held in an Ontario credit union earned interest at a rate of 2.50%.

Investments included in the balance above consists of:

	<u>2023</u>	<u>2022</u>
Guaranteed Investment Certificates 4.61% to 5.55% (2022 - 3.4% to 5.3%) maturing March 2024 to January 2030	\$12,695,792	\$ 10,915,001
ONE Fund Investments		
Canadian Government Bond Portfolio	990,431	969,857
Canadian Corporate Bond Portfolio	254,150	247,921
Canadian Equity Portfolio	796,381	739,930
	<u>\$14,736,754</u>	<u>\$ 12,872,709</u>

Investments have a market value of \$15,139,578 (2022 - \$13,175,381) at December 31, 2023.

The municipality has a revolving demand credit facility available of \$3,000,000 to finance general operating requirements. The facility was not drawn upon at December 31, 2023.

The Corporation of the Town of South Bruce Peninsula
Summary of Significant Accounting Policies

December 31, 2023

3. Asset Retirement Obligation

The Municipality's financial statements include an asset retirement obligations for asbestos in Municipality's buildings and landfill closure and post closure care requirements. The asset retirement costs are being amortized on a straight line basis. The liability has been estimated using a net present value technique with a discount rate of 6% (2022 - 6%).

The estimated undiscounted future expenditures are \$12,836,661. The expenditures are expected to be incurred and liability settled as follows:

2024 to 2033	\$862,793
2034 to 2043	\$1,231,711
2044 to 2053	\$931,724
2054 and thereafter	\$9,810,433

The carrying amount of the liability is as follows:

	2023	2022
		(Restated Note 1)
Asset retirement obligation, opening	\$ 1,821,980	\$ 1,712,896
Increase due to accretion expense	109,319	102,774
Increase due to additions	-	6,310
	\$ 1,931,299	\$ 1,821,980
Asset retirement obligation, closing	\$ 1,931,299	\$ 1,821,980

The Corporation of the Town of South Bruce Peninsula
Summary of Significant Accounting Policies

December 31, 2023

4. Long-Term Liabilities

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

	<u>2023</u>	<u>2022</u>
Loan payable, Ontario Strategic Infrastructure Financing Authority, 2.93%, payable in blended semi-annual payments of \$42,555, due June 2024	\$ 42,555	\$ 125,830
Loan payable, Royal Bank of Canada, 5.46%, payments of \$15,018 plus interest payable monthly, due December 2027	<u>2,703,225</u>	-
	<u>\$ 2,745,780</u>	<u>\$ 125,830</u>

Principal payments for the next four fiscal years are as follows:

2024	\$ 222,770
2025	\$ 180,215
2026	\$ 180,215
2027	<u>\$ 2,162,580</u>
	<u>\$ 2,745,780</u>

Interest paid during the year totalled \$2,930 (2022 - \$5,371).

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31

5. Tangible Capital Assets

								2023
	Land	Land Improvements	Buildings	Equipment	Vehicles	Infrastructure	Work in Progress	Total
Cost, beginning of the year	\$ 2,296,246	\$ 4,265,540	\$ 16,825,186	\$ 9,903,245	\$ 4,664,011	\$ 78,720,119	\$ 3,235,167	\$ 119,909,514
Additions	42,776	202,741	976,786	494,511	345,515	7,964,257	1,122,254	11,148,840
Additions from work in progress	-	62,610	111,512	17,931	-	2,445,126	(2,637,179)	-
Disposals	(1,681)	-	(51,000)	(119,243)	(27,100)	(449,205)	(198,917)	(847,146)
Cost, end of the year	<u>2,337,341</u>	<u>4,530,891</u>	<u>17,862,484</u>	<u>10,296,444</u>	<u>4,982,426</u>	<u>88,680,297</u>	<u>1,521,325</u>	<u>130,211,208</u>
Accumulated amortization, beginning of the year	-	1,796,718	7,509,419	5,334,114	3,141,166	29,282,899	-	47,064,316
Amortization	-	209,910	427,852	542,844	232,182	1,509,854	-	2,922,642
Disposals	-	-	(31,370)	(96,453)	(14,453)	(323,875)	-	(466,151)
Accumulated amortization, end of the year	<u>-</u>	<u>2,006,628</u>	<u>7,905,901</u>	<u>5,780,505</u>	<u>3,358,895</u>	<u>30,468,878</u>	<u>-</u>	<u>49,520,807</u>
Net carrying amount, end of the year	<u>\$ 2,337,341</u>	<u>\$ 2,524,263</u>	<u>\$ 9,956,583</u>	<u>\$ 4,515,939</u>	<u>\$ 1,623,531</u>	<u>\$ 58,211,419</u>	<u>\$ 1,521,325</u>	<u>\$ 80,690,401</u>

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31

5. Tangible Capital Assets - (continued)

	Land	Land Improvements	Buildings	Equipment	Vehicles	Infrastructure	Work in Progress	2022 Restated (Note 1) Total
Cost, beginning of the year	\$ 2,290,245	\$ 3,895,917	\$ 16,821,183	\$ 9,576,509	\$ 5,001,749	\$ 75,268,736	\$ 1,238,977	\$ 114,093,316
Additions	6,001	391,779	46,596	585,556	188,534	3,799,602	2,092,270	7,110,338
Additions from work in progress	-	-	-	20,352	-	75,728	(96,080)	-
Disposals	-	(22,156)	(42,593)	(279,172)	(526,272)	(423,947)	-	(1,294,140)
Cost, end of the year	<u>2,296,246</u>	<u>4,265,540</u>	<u>16,825,186</u>	<u>9,903,245</u>	<u>4,664,011</u>	<u>78,720,119</u>	<u>3,235,167</u>	<u>119,909,514</u>
Accumulated amortization, beginning of the year	-	1,621,049	7,140,673	5,025,264	3,424,518	28,244,778	-	45,456,282
Amortization	-	197,825	411,339	560,862	239,500	1,337,726	-	2,747,252
Disposals	-	(22,156)	(42,593)	(252,012)	(522,852)	(299,605)	-	(1,139,218)
Accumulated amortization, end of the year	-	1,796,718	7,509,419	5,334,114	3,141,166	29,282,899	-	47,064,316
Net carrying amount, end of the year	<u>\$ 2,296,246</u>	<u>\$ 2,468,822</u>	<u>\$ 9,315,767</u>	<u>\$ 4,569,131</u>	<u>\$ 1,522,845</u>	<u>\$ 49,437,220</u>	<u>\$ 3,235,167</u>	<u>\$ 72,845,198</u>

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2023

5. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction is \$1,521,325 (2022 - \$3,235,167).

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

The municipality holds various works of art and historical treasures including statues, monument, plaques, paintings and photographs. 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.

6. Accumulated Surplus

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

	2023	2022 Restated (Note 1)
Invested in tangible capital assets		
Tangible capital assets at cost less amortization	\$80,690,401	\$ 72,845,198
Unfinanced capital assets	(3,136,360)	(4,611,023)
Capital assets financed by long-term liabilities and to be funded in future years	<u>(2,745,780)</u>	<u>(125,830)</u>
Total invested in capital assets	74,808,261	68,108,345
Unfunded post-employment benefits	(153,915)	(179,515)
WSIB future benefit liability	(852,476)	(577,970)
General surplus	-	574,955
Bruce Area Solid Waste Recycling	(1,850)	44,101
Unfunded asset retirement obligation	<u>(1,931,299)</u>	<u>(1,821,980)</u>
	71,868,721	66,147,936
Reserves and reserve funds (Note 7)	<u>26,301,666</u>	<u>25,093,657</u>
Accumulated surplus	<u>\$98,170,387</u>	<u>\$ 91,241,593</u>

The 2023 operating surplus of \$118,821 was transferred to the tax rate stabilization reserve during the year as approved by Council.

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2023

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

	<u>2023</u>	<u>2022</u>
Reserves		
Working funds	\$ 614,999	\$ 615,496
Insurance, sick leave and WSIB	1,414,851	1,380,543
Current purposes	1,168,852	902,546
Capital purposes	<u>201,688</u>	<u>301,579</u>
	3,400,390	3,200,164
Reserve funds		
Capital purposes	<u>22,901,276</u>	<u>21,893,493</u>
Reserves and reserve funds set aside for specific purpose by Council	<u>\$26,301,666</u>	<u>\$ 25,093,657</u>

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2023

8. Budgets

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statement of operations and accumulated surplus and changes in net financial assets for comparative purposes. The 2023 budget amounts for the Corporation of the Town of South Bruce Peninsula approved by Council have been reclassified to conform to the presentation of the consolidated 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 6)	\$ 6,648,150	\$ 6,928,794	\$ 6,564,468
Prior year general surplus	611,130	574,955	-
Net transfers to reserves and reserve funds	(458,360)	(1,208,009)	(1,820,137)
Capital acquisitions, disposals and write-down	(6,617,650)	(10,767,845)	(6,955,414)
Change in unfinanced	(100,000)	(1,474,663)	11,511
Amortization	-	2,922,642	2,747,252
Proceeds from long-term debt	-	2,703,225	-
Debt principal repayments	(83,270)	(83,275)	(80,887)
Change in unfunded liabilities	-	248,906	(7,435)
Unfunded ARO liability	-	109,319	109,084
Change in other surpluses	-	45,951	6,513
Surplus	\$ -	\$ -	\$ 574,955

9. Other Income

	2023 Budget	2023 Actual	2022 Actual
Penalties and interest on taxation	\$ 225,000	\$ 231,509	\$ 211,098
Other fines and penalties	266,500	150,820	257,809
Investment income	503,000	1,201,458	549,109
Licenses, permits and rents	1,313,830	1,321,550	1,203,055
Short-term accommodation licencing	147,500	179,661	272,474
Municipal accommodation tax	400,000	539,357	411,100
Donations	16,000	40,527	72,845
Sale of recycling materials, etc.	77,470	587,196	332,307
Developer and parkland contributions	-	215,532	95,346
Gain (loss) on disposition of capital assets	-	(363,522)	69,431
Other	56,530	80,954	127,320
	\$ 3,005,830	\$ 4,185,042	\$ 3,601,894

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2023

10. Government Transfers

	2023 Budget	2023 Actual	2022 Actual
Operating Transfers			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	\$ 3,132,400	\$ 3,132,400	\$ 3,075,600
Roads	50,000	52,515	49,756
Waste diversion	-	214,616	200,958
Other	78,380	356,330	193,034
	<u>3,260,780</u>	<u>3,755,861</u>	<u>3,519,348</u>
Other Municipalities			
Protection	122,100	156,726	131,544
Other	-	31,830	-
	<u>122,100</u>	<u>188,556</u>	<u>131,544</u>
Total operating transfers	<u>3,382,880</u>	<u>3,944,417</u>	<u>3,650,892</u>
Capital Transfers			
Province of Ontario			
Roads	529,990	763,754	1,720,942
Government of Canada			
Canada Community-Building Fund	-	288,085	576,513
Roads	-	-	1,099,008
Other	294,830	162,390	332,710
	<u>294,830</u>	<u>450,475</u>	<u>2,008,231</u>
Other Municipalities			
Roads	1,170,920	3,006,038	24,234
Total capital transfers	<u>1,995,740</u>	<u>4,220,267</u>	<u>3,753,407</u>
Total contributions	<u>\$ 5,378,620</u>	<u>\$ 8,164,684</u>	<u>\$ 7,404,299</u>

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2023

11. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 65 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 by the Town of South Bruce Peninsula was \$362,707 (2022 - \$334,251). 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. The municipality does not recognize any share of the OMERS pension surplus or deficit. The last available actuarial report for the OMERS plan was as of December 31, 2023. At that time the plan reported a \$4.20 billion actuarial deficit (2022 - \$6.68 billion actuarial deficit), 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 fluctuations in the financial markets may lead to increased future funding requirements.

12. Post-Employment Benefits

	<u>2023</u>	<u>2022</u>
WSIB	\$ 852,476	\$ 577,970
Post-employment benefits	<u>179,113</u>	<u>179,515</u>
	<u>\$ 1,031,589</u>	<u>\$ 757,485</u>

(a) Effective December 8, 2013 the Town of South Bruce Peninsula elected to be a Schedule 1 employer. Previously, under the provisions of the Workplace Safety and Insurance Board Act, the Town of South 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.

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

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2023

12. Post-Employment Benefits (continued)

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 gross discount rate of 3.0% (2022 - 4.5%), a WSIB administrative rate of 27% (2022 - 38%) and an average lost time injury count of NIL (2022 - NIL).

	2023	2022
Accrued benefit obligation	\$ 978,613	\$ 714,459
Unamortized actuarial loss	(126,137)	(136,489)
Total expense for the year	\$ 852,476	\$ 577,970

(b) The Municipality pays certain insurance and health benefits on behalf of its retired employees. The Municipality recognizes these post-retirement costs in the period in which the employees render the services. Actuarial valuations for accounting purposes are performed using the projected benefit method. The most recent actuarial report was prepared as at December 31, 2023. The assumptions used reflect management's best estimates. The post-employment benefit liability was determined using a discount rate of 3.25%. For health cost escalations an annual increase rate of 5.75% was used reducing by 0.3333% per year year to 3.75% in 2028.

	2023	2022
Post-employment benefit accrued liability	\$ 179,113	\$ 179,515

	2023	2022
Current period benefit cost	\$ 7,657	\$ 7,271
Interest costs	5,735	5,730
Total expense for the year	\$ 13,392	\$ 13,001

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2023

13. 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	\$ 3,634,562	\$ 3,606,222
County of Bruce	9,471,008	8,719,485
	\$13,105,570	\$ 12,325,707

14. Trust Funds

The trust funds administered by the municipality amounting to \$338,144 (2022 - \$331,888) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of operations and accumulated surplus.

15. Bruce Area Solid Waste Recycling

The following summarizes the financial position and operations of Bruce Area Solid Waste Recycling, which is a Joint Board of Management of which the Town of South Bruce Peninsula has a 20.74% interest. The Bruce Area Solid Waste Recycling has been consolidated into these financial statements.

	2023	2022
Financial assets	\$ 1,261,989	\$ 1,989,111
Liabilities	208,967	230,105
Net financial assets	1,053,022	1,759,006
Non-financial assets	1,662,338	1,516,006
Accumulated surplus	\$ 2,715,360	\$ 3,275,012
Revenues	\$ 3,829,826	\$ 4,000,874
Expenses	4,389,478	4,255,089
Annual deficit	\$ (559,652)	\$ (254,215)

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2023

16. Commitments

The Town of South Bruce Peninsula has entered into agreements with contractors for various capital projects and ordered a fire truck. The projects are in various stages of completion and \$586,913 has been spent as of December 31, 2023 with the remaining \$1,910,340 to be completed in 2024.

17. Contingencies

- i) The Town of South Bruce Peninsula along with private land owners, was named as defendants in a land claim action filed by the Chippewas of Saugeen First Nation. A decision not in favour of the Municipality was rendered in Superior Court. The Municipality is currently in the process of appealing the decision.
 - ii) 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.
-

18. Financial Instruments

Financial Instrument Risk Management

The Municipality 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.

There have not been any changes from the prior year in the town's exposure to interest rate risk, credit risk or liquidity risk or the policies, procedures and methods it uses to manage and measure these risks.

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 affecting the value of fixed rate investments and long-term debt.

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2023

18. Financial Instrument Risk Management (continued)

Credit Risk

The Municipality is exposed to credit risk arising from its cash, investments, taxes receivable and trade and other receivables. On December 31, 2023, The Municipality had a cash balance of \$6,885,967 and other investment deposits of \$3,000,000 at a Canadian financial institution. The Canadian Deposit Insurance Corporation insures up to a maximum of \$100,000 per depositor per financial institution. The Municipality also had investment deposits of \$9,237,822 at a Canadian credit union. The Deposit Insurance Corporation of Ontario (DICO) insures deposits to a maximum of \$250,000 per depositor. 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 were as follows:

	0 - 30 days	31 - 90 days	91 - 365 days	1 - 2 years	3 - 10 years
Cash	\$ 6,413,383	-	-	-	-
Investments		780,885	5,437,306	2,524,680	5,993,883
Trade and other receivables	442,308	4,129,185	159,448	24,961	-
Taxes Receivable	985,935	160,747	10,716	42,866	-
Total	\$ 7,841,626	\$ 5,070,817	\$ 5,607,470	\$ 2,592,507	\$ 5,993,883

Liquidity Risk

Liquidity risk is the risk that the town encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk arises from accounts payable and accrued liabilities and long-term debt. The town has sufficient bank balances to extinguish its liabilities.

At year end, the amounts outstanding for the town's accounts payable are as follows:

	Within 6 months	6 months to 1 year	1 - 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 2,837,124	\$ 603,237	\$ 104,686	\$ 16,000
Long-term liabilities	90,108	222,770	901,075	1,531,827
Total financial liabilities	\$ 2,927,232	\$ 826,007	\$ 1,005,761	\$ 1,547,827

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2023

19. Segmented Information

The Corporation of the Town of South 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 cultural services 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. General administration, council activities and maintenance of municipal buildings are included in the functions of general government.

Protection to Persons and Property

Protection is comprised of police services, fire protection, emergency measures and building and structural inspection.

Transportation

Transportation is responsible for construction and maintenance of the municipality's roadways, bridges, parking areas and streetlighting.

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 and support to the local hospital.

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, and campgrounds. The municipality also provides recreational programs.

The Corporation of the Town of South Bruce Peninsula
Notes to Consolidated Financial Statements

December 31, 2023

19. Segmented Information - (continued)

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 Town of South 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	\$ 1,775,730	\$ 2,012,494	\$ 4,735,279	\$ (236,764)	\$ 118,382	\$ 2,130,876	\$ 118,382	\$ 11,838,199
Fees and user charges	81,021	721,938	-	4,009,460	25,235	79,663	21,649	4,938,966
Specific grants	162,390	241,321	4,110,391	214,616	-	75,921	227,645	5,032,284
OMPF grant	469,860	532,508	1,252,960	(62,648)	31,324	563,832	31,324	3,132,400
Other revenue	1,626,879	299,128	18,121	610,467	23,461	905,128	701,858	4,185,042
	<u>4,115,880</u>	<u>3,807,389</u>	<u>10,116,751</u>	<u>4,535,131</u>	<u>198,402</u>	<u>3,755,420</u>	<u>1,100,858</u>	<u>29,126,891</u>
Expenses								
Salaries and benefits	1,643,444	1,821,806	1,829,208	647,602	755	1,336,399	151,737	7,430,951
Interest on debt	-	-	-	2,930	-	-	-	2,930
Materials and supplies	434,758	453,612	1,759,197	2,393,413	1,313	1,207,988	154,757	6,405,038
Contracted services	784,097	2,382,846	868,025	56,621	440	163,236	251,151	4,506,416
Other transfers	-	-	-	-	6,256	7,056	-	13,312
Rents and financial expenses	502,969	31,632	-	210,015	-	61,726	1,147	807,489
Amortization	150,904	141,452	1,045,817	1,049,935	459	532,010	2,065	2,922,642
Accretion Expense-ARO	6,062	5,883	8,674	57,683	109	30,908	-	109,319
	<u>3,522,234</u>	<u>4,837,231</u>	<u>5,510,921</u>	<u>4,418,199</u>	<u>9,332</u>	<u>3,339,323</u>	<u>560,857</u>	<u>22,198,097</u>
Annual surplus	<u>\$ 593,646</u>	<u>\$(1,029,842)</u>	<u>\$ 4,605,830</u>	<u>\$ 116,932</u>	<u>\$ 189,070</u>	<u>\$ 416,097</u>	<u>\$ 540,001</u>	<u>\$ 6,928,794</u>

The Corporation of the Town of South 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	\$ 1,622,747	\$ 2,086,389	\$ 4,636,419	\$ 811,373	\$ 115,910	\$ 1,622,747	\$ 695,463	\$ 11,591,048
Fees and user charges	79,621	752,033	-	4,027,483	36,104	63,003	26,121	4,984,365
Specific grants	1,455,952	168,514	2,347,210	200,958	-	86,990	69,075	4,328,699
OMPF grant	430,584	553,608	1,230,240	215,292	30,756	430,584	184,536	3,075,600
Other revenue	1,084,048	556,659	(135,653)	501,575	13,887	896,460	684,918	3,601,894
	<u>4,672,952</u>	<u>4,117,203</u>	<u>8,078,216</u>	<u>5,756,681</u>	<u>196,657</u>	<u>3,099,784</u>	<u>1,660,113</u>	<u>27,581,606</u>
Expenses								
Salaries and benefits	1,429,012	906,007	1,797,795	641,416	483	1,093,948	279,764	6,148,425
Interest on debt	-	-	-	5,371	-	-	-	5,371
Materials and supplies	428,487	392,849	1,521,371	2,645,067	916	883,930	97,467	5,970,087
Contracted services	1,543,657	2,439,357	737,103	75,436	76	265,191	226,781	5,287,601
Other transfers	-	-	-	-	9,748	7,267	-	17,015
Rents and financial expenses	448,493	31,907	-	191,527	-	65,744	942	738,613
Amortization	141,521	143,502	921,778	1,048,074	-	490,358	2,019	2,747,252
Accretion Expense	5,719	5,551	8,183	54,418	102	28,801	-	102,774
	<u>3,996,889</u>	<u>3,919,173</u>	<u>4,986,230</u>	<u>4,661,309</u>	<u>11,325</u>	<u>2,835,239</u>	<u>606,973</u>	<u>21,017,138</u>
<i>Annual surplus (deficit)</i>	<u>\$ 676,063</u>	<u>\$ 198,030</u>	<u>\$ 3,091,986</u>	<u>\$ 1,095,372</u>	<u>\$ 185,332</u>	<u>\$ 264,545</u>	<u>\$ 1,053,140</u>	<u>\$ 6,564,468</u>

The Corporation of the Town of South Bruce Peninsula
Schedule of Deferred Revenue

For the year ended December 31, 2023

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 193,796	\$ 32,124	\$ 6,018	\$ (185,825)	\$ 46,113
Canada Community- Building fund	121,069	278,520	5,864	(288,085)	117,368
Recreational land	97,871	10,000	5,188	-	113,059
Parking	46,609	722	2,368	-	49,699
Subdivider contributions	50,717	-	2,558	-	53,275
Building reserve fund	503,224	-	23,477	(75,374)	451,327
	1,013,286	321,366	45,473	(549,284)	830,841
Other					
Grants	595,684	609,489	20,800	(975,956)	250,017
Other	137,284	152,837	-	(131,077)	159,044
	\$ 1,746,254	\$ 1,083,692	\$ 66,273	\$(1,656,317)	\$1,239,902

The Corporation of the Town of
South Bruce Peninsula
Trust Funds
Financial Information
For the year ended December 31, 2023

The Corporation of the Town of South Bruce Peninsula
Trust Funds
For the year ended December 31, 2023

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Independent Auditor's Report

To the Members of Council of the
Corporation of the Town of South Bruce Peninsula

Opinion

We have audited the accompanying financial information for the Corporation of the Town of South 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.

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 is 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario
September 16, 2024

The Corporation of the Town of South Bruce Peninsula
Trust Funds
Balance Sheet

December 31, 2023

	Cemetery Perpetual Care and Maintenance
Assets	
Cash	\$ 347,916
Accounts receivable	1,581
	\$ 349,497
Liabilities	
Due to the municipality	\$ 11,353
Fund balance	338,144
	\$ 349,497

The Corporation of the Town of South Bruce Peninsula
Statement of Continuity

For the year ended December 31, 2023

	Cemetery Perpetual Care and Maintenance
Balance, beginning of the year	\$ 331,888
Receipts	
Bank interest	6,256
Care and maintenance	6,256
	12,512
Expenses	
Transfer to municipality	6,256
Balance, end of the year	\$ 338,144

The Corporation of the Town of South 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 Town of South 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	<p>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.</p> <p>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.</p>
Basis of Consolidation	These trust funds have not been consolidated with the financial statements of the Corporation of the Town of South Bruce Peninsula.
Financial Instruments	Cash is measured at fair value. All other financial instruments are measured at amortized cost. The maximum exposure to these risks is the carrying value of the financial instruments. These financial instruments include accounts receivable and due to the municipality. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of continuity. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.
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.

The Corporation of the Town of South Bruce Peninsula
Trust Funds
Notes to Financial Information

December 31, 2023

2. Financial Instrument Risk Management

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The entity is exposed to credit risk arising from its cash. Cash is held in accounts at one financial institution. The Canadian Deposit Insurance Corporation insures up to a maximum of \$100,000 per depositor per financial institution.

Liquidity Risk

Liquidity risk is the risk that the trust encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk arises from due to the municipality. The organization has sufficient bank balances to extinguish its liabilities.
