

**The Corporation of the Town of
South Bruce Peninsula
Financial Information
For the year ended December 31, 2024**

**The Corporation of the Town of South Bruce Peninsula
Financial Information
For the year ended December 31, 2024**

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

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

Opinion

We have audited the 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, 2024, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2024, and the results of its consolidated operations, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

Other Matter

The consolidated financial statements for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on September 16, 2024.

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

Management is responsible for the preparation and fair presentation of the 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Municipality as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.

Owen Sound, Ontario

September 12, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

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

December 31	2024	2023
Financial assets		
Cash and investments (Note 1)	\$ 26,379,095	\$ 21,150,137
Taxes receivable	1,759,017	1,200,264
Trade and other receivables	1,620,266	4,755,904
Inventory held for resale	31,791	27,402
	<u>29,790,169</u>	<u>27,133,707</u>
Liabilities		
Accounts payable and accrued liabilities	4,413,320	3,561,046
Asset retirement obligation (Note 2)	2,165,687	1,931,299
Post employment benefits (Note 11)	748,466	1,031,589
Deferred revenue (Page 32)	2,083,425	1,239,902
Long-term liabilities (Note 3)	2,523,010	2,745,780
	<u>11,933,908</u>	<u>10,509,616</u>
Net financial assets	<u>17,856,261</u>	<u>16,624,091</u>
Non-financial assets		
Inventory of supplies	147,898	158,164
Prepaid expenses	766,097	697,731
Tangible capital assets (Note 4)	81,760,930	80,690,401
	<u>82,674,925</u>	<u>81,546,296</u>
Accumulated surplus (Note 5)	<u>\$ 100,531,186</u>	<u>\$ 98,170,387</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	2024	2024	2023
	Budget	Actual	Actual
Revenue			
Taxation	\$ 12,506,046	\$ 12,756,124	\$ 11,838,199
Fees and user charges	5,133,906	5,000,119	4,938,966
Government transfers (Note 9)	5,399,620	4,126,824	8,164,684
Other income (Note 8)	3,081,350	5,148,941	4,185,042
	<u>26,120,922</u>	<u>27,032,008</u>	<u>29,126,891</u>
Expenses			
General government	3,325,680	5,461,490	3,517,138
Protection services	4,344,710	4,465,788	4,837,231
Transportation services	4,473,500	5,377,646	5,349,813
Environmental services	3,607,880	5,423,868	4,906,644
Health services and assistance to seniors	273,570	361,041	250,393
Recreation and cultural services	2,538,240	3,031,259	2,789,409
Planning and development	569,976	550,117	547,469
	<u>19,133,556</u>	<u>24,671,209</u>	<u>22,198,097</u>
Annual surplus (Note 7)	6,987,366	2,360,799	6,928,794
Accumulated surplus, beginning of the year	<u>98,170,387</u>	<u>98,170,387</u>	<u>91,241,593</u>
Accumulated surplus, end of the year	<u>\$ 105,157,753</u>	<u>\$ 100,531,186</u>	<u>\$ 98,170,387</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	2024	2024	2023
	Budget	Actual	Actual
Annual surplus (Page 5)	\$ 6,987,366	\$ 2,360,799	\$ 6,928,794
Acquisition of tangible capital assets	(7,210,500)	(4,474,824)	(11,148,840)
Amortization of tangible capital assets	-	3,158,519	2,922,642
Loss on sale of tangible capital assets	-	232,344	363,522
Proceeds on disposal of capital assets	-	13,432	17,473
	<u>(7,210,500)</u>	<u>(1,070,529)</u>	<u>(7,845,203)</u>
Change in prepaid expenses	-	(68,366)	(58,684)
Change in inventories of supplies	-	10,266	109,594
	<u>-</u>	<u>(58,100)</u>	<u>50,910</u>
Increase (decrease) in net financial assets	(223,134)	1,232,170	(865,499)
Net financial assets, beginning of the year	<u>16,624,091</u>	<u>16,624,091</u>	<u>17,489,590</u>
Net financial assets, end of the year	<u>\$ 16,400,957</u>	<u>\$ 17,856,261</u>	<u>\$ 16,624,091</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	2024	2023
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 5)	\$ 2,360,799	\$ 6,928,794
Items not involving cash		
Change in post-employment benefits and WSIB liabilities	(283,123)	274,104
Asset retirement obligation	234,388	109,319
Amortization	3,158,519	2,922,642
Deferred revenue recognized	(450,690)	(1,656,317)
Change in inventory of supplies	10,266	109,594
Change in prepaid expenses	(68,366)	(58,684)
Loss on sale of capital assets	232,344	363,522
	<u>5,194,137</u>	<u>8,992,974</u>
Changes in non-cash working capital balances		
Taxes receivable	(558,753)	(160,535)
Trade and other receivables	3,135,638	(933,000)
Inventory held for resale	(4,389)	(2,330)
Accounts payable and accrued liabilities	852,274	(1,106,281)
Deferred revenue received	1,294,213	1,149,965
	<u>9,913,120</u>	<u>7,940,793</u>
Capital transactions		
Cash used to acquire capital assets	(4,474,824)	(11,148,840)
Proceeds on sale of capital assets	13,432	17,473
	<u>(4,461,392)</u>	<u>(11,131,367)</u>
Investing activities		
Change in investments	<u>(8,631,992)</u>	<u>(1,864,045)</u>
Financing activities		
Additions to long-term liabilities	-	2,703,225
Repayment of long-term liabilities	(222,770)	(83,275)
	<u>(222,770)</u>	<u>2,619,950</u>
Net change in cash and cash equivalents	(3,403,034)	(2,434,669)
Cash, beginning of the year (Note 1)	<u>6,413,383</u>	<u>8,848,052</u>
Cash, end of the year (Note 1)	<u>\$ 3,010,349</u>	<u>\$ 6,413,383</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, 2024

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, 2024

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 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	10 to 50 years
Buildings	25 to 50 years
Equipment	5 to 25 years
Vehicles	5 to 25 years
Infrastructure	10 to 75 years

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

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.

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

December 31, 2024

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.
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.
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.
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 Town of South Bruce Peninsula

Summary of Significant Accounting Policies

December 31, 2024

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.

Financial Instruments

The municipality has elected to measure principal protected notes at fair value. Cash is also measured at fair value. All other financial instruments; investments, taxes receivable, trade and other receivables, accounts payable and accrued liabilities and long-term liabilities 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.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations. Since the change in fair value of the principal protected note was \$15,200 no statement of remeasurement gains and losses has been included in these financial statements.

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

December 31, 2024

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. Revenue related to fees or services received in advance of the fee being earned or when the service is performed is deferred and recognized when the fee is earned or the service is performed.
- d) Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes, is reported as deferred revenue on the consolidated statement of operations and accumulated surplus in the year in which it is used for the specified purpose.
- e) 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.
- f) 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, 2024

1. Cash and Investments

	2024	2023
Cash	\$ 3,010,349	\$ 6,413,383
Investments	23,368,746	14,736,754
	\$ 26,379,095	\$ 21,150,137

Cash balances of \$3,235,698 as at December 31, 2024 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:

	2024	2023
Meridian Credit Union Guaranteed Investment Certificates 4.06% to 5.6% maturing December 2025 to January 2030	\$ 11,946,143	\$ 12,695,792
ONE Fund Investments		
Canadian Government Bond Portfolio	1,013,598	990,431
Canadian Corporate Bond Portfolio	260,706	254,150
Canadian Equity Portfolio	1,009,233	796,381
Canaccord Genuity Corp. Guaranteed Investment Certificates 4.06% to 5.50% maturing June 2025 to December 2027	3,040,335	-
Raymond James Ltd. Guaranteed Investment Certificates 3.87% to 5.50% maturing October 2025 to November 2034	4,051,060	-
Principal Protected Note maturing Septemeber 2031	2,047,671	-
	\$ 23,368,746	\$ 14,736,754

The principal protected note (PPN) is an interest paying note. The rate of return is determined by reference to the adjusted returns of the Target Index and is paid at maturity. The note is designed to replicate investing in the Canadian equity market, diversified across Canadian corporations and financial institutions. The note has full principal protection at maturity. The PPN includes an embedded auto call feature that allows the issuer to redeem the note and payout the accumulated interest early if certain market conditions are met, typically based on the over performance of the Target Index.

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, 2024.

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

December 31, 2024

2. Asset Retirement Obligation

The Municipality's financial statements include asset retirement obligations for asbestos in the 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% (2023 - 6%).

The estimated undiscounted future expenditures are \$13,502,037. The expenditures are expected to be incurred and liability settled as follows:

2025 to 2034	\$1,120,925
2035 to 2044	\$1,016,845
2045 to 2054	\$957,724
2055 and thereafter	\$10,406,543

The carrying amount of the liability is as follows:

	<u>2024</u>	<u>2023</u>
Asset retirement obligation, opening	\$ 1,931,299	\$ 1,821,980
Increase due to accretion expense	196,633	109,319
Liability settled during the year	(1,155)	-
Acquisition in the year	38,910	-
	<u>\$ 2,165,687</u>	<u>\$ 1,931,299</u>

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

December 31, 2024

3. Long-Term Liabilities

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

	<u>2024</u>	<u>2023</u>
Loan payable, Ontario Strategic Infrastructure Financing Authority, 2.93%, payable in blended semi-annual payments of \$42,555, due June 2024	\$ -	\$ 42,555
Loan payable, Royal Bank of Canada, 5.46%, payments of \$15,018 plus interest payable monthly, due December 2027	<u>2,523,010</u>	<u>2,703,225</u>
	<u>\$ 2,523,010</u>	<u>\$ 2,745,780</u>

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

2025	\$ 180,215
2026	\$ 180,215
2027	<u>\$ 2,162,580</u>
	<u>\$ 2,523,010</u>

Interest paid during the year totalled \$144,501 (2023 - \$2,930).

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

December 31

4. Tangible Capital Assets

								2024
	Land	Land Improvements	Buildings	Equipment	Vehicles	Infrastructure	Work in Progress	Total
Cost, beginning of the year	\$2,337,341	\$ 4,530,891	\$ 17,862,484	\$10,296,444	\$ 4,982,426	\$ 88,680,297	\$ 1,521,325	\$ 130,211,208
Additions	1,358,141	149,817	421,251	818,016	595,631	795,343	336,625	4,474,824
Additions from work in progress	-	14,601	212,663	-	211,656	1,206,928	(1,645,848)	-
Disposals	(3)	(47,045)	(185,979)	(321,033)	(144,698)	(253,245)	-	(952,003)
Cost, end of the year	3,695,479	4,648,264	18,310,419	10,793,427	5,645,015	90,429,323	212,102	133,734,029
Accumulated amortization, beginning of the year	-	2,006,628	7,905,901	5,780,505	3,358,895	30,468,878	-	49,520,807
Amortization	1,724	217,458	457,163	514,449	235,604	1,732,121	-	3,158,519
Disposals	-	(24,532)	(72,546)	(311,968)	(126,570)	(170,611)	-	(706,227)
Accumulated amortization, end of the year	1,724	2,199,554	8,290,518	5,982,986	3,467,929	32,030,388	-	51,973,099
Net carrying amount, end of the year	\$3,693,755	\$ 2,448,710	\$ 10,019,901	\$ 4,810,441	\$ 2,177,086	\$ 58,398,935	\$ 212,102	\$ 81,760,930

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

December 31

4. Tangible Capital Assets - (continued)

								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, 2024

4. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction is \$212,102 (2023 - \$1,521,325).

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.

5. Accumulated Surplus

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

	2024	2023
Invested in tangible capital assets		
Tangible capital assets at cost less amortization	\$ 81,760,930	\$ 80,690,401
Unfinanced capital assets	(3,104,939)	(3,136,360)
Capital assets financed by long-term liabilities and to be funded in future years	(2,523,010)	(2,745,780)
Total invested in capital assets	76,132,981	74,808,261
Unfunded post-employment benefits	(179,776)	(153,915)
WSIB future benefit liability	(568,690)	(852,476)
Bruce Area Solid Waste Recycling	140,478	(1,850)
Unfunded asset retirement obligation	(2,165,687)	(1,931,299)
	73,359,306	71,868,721
Reserves and reserve funds (Note 6)	27,171,880	26,301,666
Accumulated surplus	\$ 100,531,186	\$ 98,170,387

The 2024 operating deficit of \$35,221 was transferred from the DCRF Working Capital Reserve during the year as approved by Council.

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

December 31, 2024

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

	<u>2024</u>	<u>2023</u>
Reserves		
Tax rate stabilization	\$ 675,197	\$ 614,999
Insurance, sick leave and WSIB	961,535	1,414,851
Current purposes	1,286,357	1,168,852
Capital purposes	<u>145,019</u>	<u>201,688</u>
	3,068,108	3,400,390
Reserve funds		
Capital purposes	<u>24,103,772</u>	<u>22,901,276</u>
Reserves and reserve funds set aside for specific purpose by Council	<u>\$27,171,880</u>	<u>\$ 26,301,666</u>

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

December 31, 2024

7. 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 2024 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.

	2024 Budget	2024 Actual	2023 Actual
Annual surplus (Page 5)	\$ 6,987,366	\$ 2,360,799	\$ 6,928,794
Prior year general surplus	-	-	574,955
Net transfers to reserves and reserve funds	841,244	(870,214)	(1,208,009)
Capital acquisitions, disposals and write-down	(7,210,500)	(4,229,048)	(10,767,845)
Change in unfinanced	(100,000)	(31,421)	(1,474,663)
Amortization	-	3,158,519	2,922,642
Proceeds from long-term debt	-	-	2,703,225
Debt principal repayments	(518,110)	(222,770)	(83,275)
Change in unfunded liabilities	-	(257,925)	248,906
Unfunded asset retirement obligation	-	234,388	109,319
Change in other surpluses	-	(142,328)	45,951
Surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

8. Other Income

	2024 Budget	2024 Actual	2023 Actual
Penalties and interest on taxation	\$ 210,000	\$ 295,733	\$ 231,509
Other fines and penalties	146,050	109,059	150,820
Investment income	508,500	1,426,073	1,201,458
Licenses, permits and rents	1,380,715	1,404,976	1,321,550
Short-term accommodation licencing	155,000	154,550	179,661
Municipal accommodation tax	550,000	439,941	539,357
Donations	-	5,100	40,527
Sale of recycling materials, etc.	72,385	672,065	587,196
Developer and parkland contributions	-	24,076	215,532
Loss on disposition of capital assets	-	(232,344)	(363,522)
WSIB Refund	-	765,200	-
Other	58,700	84,512	80,954
	<u>\$ 3,081,350</u>	<u>\$ 5,148,941</u>	<u>\$ 4,185,042</u>

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

December 31, 2024

9. Government Transfers

	2024 Budget	2024 Actual	2023 Actual
Operating Transfers			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	\$ 3,059,200	\$ 3,059,200	\$ 3,132,400
Roads	54,000	68,099	52,515
Waste diversion	-	271,697	214,616
Other	73,720	127,607	356,330
	<u>3,186,920</u>	<u>3,526,603</u>	<u>3,755,861</u>
Other Municipalities			
Protection	117,700	185,589	156,726
Other	-	55,669	31,830
	<u>117,700</u>	<u>241,258</u>	<u>188,556</u>
Total operating transfers	<u>3,304,620</u>	<u>3,767,861</u>	<u>3,944,417</u>
Capital Transfers			
Province of Ontario			
Roads	800,000	-	763,754
Government of Canada			
Canada Community-Building Fund	285,000	164,013	288,085
Other	1,010,000	32,500	162,390
	<u>1,295,000</u>	<u>196,513</u>	<u>450,475</u>
Other Municipalities			
Roads	-	162,450	3,006,038
Total capital transfers	<u>2,095,000</u>	<u>358,963</u>	<u>4,220,267</u>
Total contributions	<u>\$ 5,399,620</u>	<u>\$ 4,126,824</u>	<u>\$ 8,164,684</u>

The Corporation of the Town of South Bruce Peninsula

Notes to Consolidated Financial Statements

December 31, 2024

10. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 55 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 2024 by the Town of South Bruce Peninsula was \$394,230 (2023 - \$362,707). The contribution rate for 2024 was 9.0% to 15.8% depending on age and income level (2023 - 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, 2024. At that time the plan reported a \$2.9 billion actuarial deficit (2023 - \$4.2 billion actuarial deficit), based on actuarial liabilities of \$140.8 billion (2023 - \$134.6 billion), and actuarial assets of \$137.9 billion (2023 - \$130.4 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.

11. Post-Employment Benefits

	2024	2023
WSIB	\$ 568,690	\$ 852,476
Post-employment benefits	179,776	179,113
	\$ 748,466	\$ 1,031,589

(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 valuation was prepared for the December 31, 2020 WSIB liability with valuation results to December 31, 2023. On October 16, 2024 a revised report was provided updating the actuarial valuation with estimates for December 31, 2024 and 2025 based on changes in management assumptions from the December 31, 2020 valuation.

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

December 31, 2024

11. 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% (2023 - 3.0%), a WSIB administrative rate of 27% (2023 - 27%) and an average lost time injury count of NIL (2023 - NIL).

	2024	2023
Accrued benefit obligation	\$ 684,475	\$ 978,613
Unamortized actuarial loss	(115,785)	(126,137)
Total expense for the year	\$ 568,690	\$ 852,476

(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 valuation was prepared as at December 31, 2021 with actuarial updates to December 31, 2022, 2023 and 2024. 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.

	2024	2023
Post-employment benefit accrued liability	\$ 179,776	\$ 179,113

	2024	2023
Current period benefit cost	\$ 8,064	\$ 7,657
Interest costs	5,739	5,735
Total expense for the year	\$ 13,803	\$ 13,392

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

December 31, 2024

12. 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:

	2024	2023
School boards	\$ 3,617,356	\$ 3,634,562
County of Bruce	10,288,535	9,471,008
	\$ 13,905,891	\$ 13,105,570

13. Trust Funds

The trust funds administered by the municipality amounting to \$350,403 (2023 - \$338,144) 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.

14. 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.

	2024	2023
Financial assets	\$ 1,901,664	\$ 1,261,989
Liabilities	434,979	208,967
Net financial assets	1,466,685	1,053,022
Non-financial assets	1,675,536	1,662,338
Accumulated surplus	\$ 3,142,221	\$ 2,715,360
Revenues	\$ 4,621,792	\$ 3,829,826
Expenses	4,194,931	4,389,478
Annual deficit	\$ 426,861	\$ (559,652)

The Corporation of the Town of South Bruce Peninsula

Notes to Consolidated Financial Statements

December 31, 2024

15. Commitments

The Town of South Bruce Peninsula has entered into agreements with contractors for various capital projects and vehicles. The projects are in various stages of completion with a \$2,001,117 commitment as of December 31, 2024.

16. 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.
-

17. 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, 2024

17. 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, 2024, The Municipality had a cash balance of \$3,235,698 at a Canadian Chartered Bank. The Municipality had guaranteed investment certificates of \$3,040,609 at a Canadian financial institution and investments of \$4,047,241 at a separate 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 \$11,648,368 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:

	<u>0 - 30</u>	<u>days 31 - 90</u>	<u>days 91 - 365 days</u>	<u>1 - 2 years</u>	<u>3 - 10 years</u>
Cash	\$ 3,010,349	\$ -	\$ -	\$ -	-
Investments		1,044,647	4,378,127	7,552,262	10,393,710
Trade and other receivables	542,676	840,087	227,347	10,156	-
Taxes Receivable	662,071	821,590	56,266	219,090	-
Total	\$ 4,215,096	\$ 2,706,324	\$ 4,661,740	\$ 7,781,508	\$ 10,393,710

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:

	<u>Within 6</u>	<u>6 months to</u>	<u>1 - 5 years</u>	<u>Over 5</u>
	<u>months</u>	<u>1 year</u>		<u>years</u>
Accounts payable and accrued liabilities	\$ 3,775,017	\$ 593,170	\$ 45,133	\$ -
Long-term liabilities	90,108	90,108	2,342,794	-
Total financial liabilities	\$ 3,865,125	\$ 683,278	\$ 2,387,927	\$ -

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

December 31, 2024

17. Financial Instrument Risk Management (continued)

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Municipality is exposed to other price risk through its investments in principal protected notes that are indexed to equity instruments, which causes fluctuation in the reported fair value of the town's investments from one period to the next.

The Municipality manages its other price risk by diversifying its portfolio holdings to a variety of products and primarily invests in assets that offer a principal protection guarantee in order to reduce the potential for financial losses. The Municipality measures its exposure to other price risk based on investments valued less than the guaranteed amount. The Municipality monitors the market values regularly to ensure that notes with a value below the principal are not cashed out before maturity.

18. Comparative Balances

The comparative balances have been reclassified to conform to the current year's financial statement presentation.

The Corporation of the Town of South Bruce Peninsula

Notes to Consolidated Financial Statements

December 31, 2024

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, 2024

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, 2024	General Government	Protection Services	Transportation Services	Environmental Services	Health Services/ Assistance to Seniors	Recreation and Cultural Services	Planning and Development	2024 Total
Revenue								
Taxation	\$ 2,296,102	\$ 2,423,664	\$ 4,974,888	\$ 510,245	\$ 127,561	\$ 2,296,103	\$ 127,561	\$ 12,756,124
Fees and user charges	48,007	648,228	-	4,134,484	45,112	110,649	13,639	5,000,119
Specific grants	32,500	233,095	394,562	327,366	52,527	20,000	7,574	1,067,624
OMPF grant	550,656	581,248	1,193,088	122,368	-	581,248	30,592	3,059,200
Other revenue	2,346,696	649,847	18,582	692,249	22,705	822,573	596,289	5,148,941
	<u>5,273,961</u>	<u>4,536,082</u>	<u>6,581,120</u>	<u>5,786,712</u>	<u>247,905</u>	<u>3,830,573</u>	<u>775,655</u>	<u>27,032,008</u>
Expenses								
Salaries and benefits	1,282,749	1,323,612	1,922,536	777,129	239,307	1,120,993	158,031	6,824,357
Interest on debt	-	-	-	623	-	143,878	-	144,501
Materials and supplies	553,376	540,076	1,420,287	3,008,963	53,943	963,896	117,426	6,657,967
Contracted services	2,901,779	2,404,764	778,410	266,109	10,321	152,940	269,308	6,783,631
Other transfers	-	-	-	-	12,259	5,808	-	18,067
Rents and financial expenses	544,985	39,648	-	247,232	8,721	45,192	1,756	887,534
Amortization	99,539	151,268	1,247,552	1,058,961	24,819	572,784	3,596	3,158,519
Accretion Expense-ARO	79,062	6,420	8,861	64,851	11,671	25,768	-	196,633
	<u>5,461,490</u>	<u>4,465,788</u>	<u>5,377,646</u>	<u>5,423,868</u>	<u>361,041</u>	<u>3,031,259</u>	<u>550,117</u>	<u>24,671,209</u>
Annual surplus	<u>\$ (187,529)</u>	<u>\$ 70,294</u>	<u>\$ 1,203,474</u>	<u>\$ 362,844</u>	<u>\$ (113,136)</u>	<u>\$ 799,314</u>	<u>\$ 225,538</u>	<u>\$ 2,360,799</u>

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/ Assistance to Seniors	Recreation and Cultural Services	Planning and Development	2023 Total
Revenue								
Taxation	\$ 2,249,258	\$ 2,012,494	\$ 4,735,279	\$ 473,528	\$ 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	50,421	25,500	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	1,659,133	266,874	18,121	610,467	23,461	905,128	701,858	4,185,042
	<u>4,621,662</u>	<u>3,775,135</u>	<u>10,116,751</u>	<u>5,245,423</u>	<u>248,823</u>	<u>3,704,999</u>	<u>1,100,858</u>	<u>29,126,891</u>
Expenses								
Salaries and benefits	1,643,446	1,821,806	1,829,208	739,605	130,055	1,113,792	151,737	7,429,649
Interest on debt	-	-	-	2,930	-	-	-	2,930
Materials and supplies	542,309	453,612	1,754,005	2,624,858	70,923	930,814	142,470	6,518,991
Contracted services	671,448	2,382,846	712,109	212,537	8,617	155,059	251,151	4,393,767
Other transfers	-	-	-	-	6,256	7,056	-	13,312
Rents and financial expenses	502,969	31,632	-	210,015	2,952	58,774	1,147	807,489
Amortization	150,904	141,452	1,045,817	1,059,016	20,884	503,603	964	2,922,640
Accretion Expense	6,062	5,883	8,674	57,683	10,706	20,311	-	109,319
	<u>3,517,138</u>	<u>4,837,231</u>	<u>5,349,813</u>	<u>4,906,644</u>	<u>250,393</u>	<u>2,789,409</u>	<u>547,469</u>	<u>22,198,097</u>
Annual surplus (deficit)	<u>\$ 1,104,524</u>	<u>\$ (1,062,096)</u>	<u>\$ 4,766,938</u>	<u>\$ 338,779</u>	<u>\$ (1,570)</u>	<u>\$ 915,590</u>	<u>\$ 553,389</u>	<u>\$ 6,928,794</u>

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

For the year ended December 31, 2024

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 46,113	\$ 40,498	\$ 2,269	\$ (24,076)	\$ 64,804
Canada Community- Building fund	117,368	291,427	7,563	(164,013)	252,345
Recreational land	113,059	60,000	5,975	-	179,034
Parking	49,699	722	2,091	-	52,512
Subdivider contributions	53,275	-	2,225	-	55,500
Building reserve fund	451,327	-	16,689	(103,556)	364,460
	830,841	392,647	36,812	(291,645)	968,655
Other					
Grants	250,017	700,912	25,081	-	976,010
Other	159,044	138,761	-	(159,045)	138,760
	\$ 1,239,902	\$ 1,232,320	\$ 61,893	\$ (450,690)	\$2,083,425

**The Corporation of the Town of
South Bruce Peninsula
Trust Funds
Financial Information
For the year ended December 31, 2024**

**The Corporation of the Town of South Bruce Peninsula
Trust Funds
For the year ended December 31, 2024**

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The Corporation of the Town of South Bruce Peninsula Trust Funds

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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 (the Trust Funds), which comprise the balance sheet as of December 31, 2024, 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, 2024 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, 2023 was audited by another auditor who expressed a qualified opinion on the information on September 16, 2025.

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 Fund's 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 Fund'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 Trust Fund'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 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.

Owen Sound, Ontario

September 12, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

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

December 31, 2024

	<u>Cemetery Perpetual Care and Maintenance</u>
Assets	
Cash	\$ 352,602
Accounts receivable	<u>2,277</u>
	\$ 354,879
<hr/>	
Liabilities	
Due to the municipality	\$ 4,476
Fund balance	<u>350,403</u>
	\$ 354,879

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

For the year ended December 31, 2024

	<u>Cemetery Perpetual Care and Maintenance</u>
Balance, beginning of the year	<u>\$ 338,144</u>
Receipts	
Bank interest	16,735
Care and maintenance	<u>12,259</u>
	<u>28,994</u>
Expenses	
Transfer to municipality	<u>16,735</u>
Balance, end of the year	<u>\$ 350,403</u>

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

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

December 31, 2024

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, 2024

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.
