

The Corporation of the
Municipality of Meaford
Consolidated Financial Statements
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 Municipality of Meaford

Qualified Opinion

We have audited the consolidated financial statements of the Corporation of the Municipality of Meaford ("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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2023, and its consolidated results of operations, consolidated changes in net financial assets and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Effective January 1, 2023, the Municipality was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retroactive application method, the asset retirement obligation on transition is to be recorded using assumptions as of January 1, 2023. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. Management has not completed its assessment of the tangible capital assets for potential asset retirement obligations. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended December 31, 2023 and 2022, tangible capital assets and the asset retirement obligation as at December 31, 2023 and 2022, and accumulated surplus as at January 1 and December 31 for both the 2023 and 2022 years.

As a result of PS 3280 not being adopted, the Municipality accounts for its landfill closure and post-closure liability in accordance with withdraw PS 3270 Solid Waste Landfill Closure and Post-Closure Liability. As a result, it is not possible to quantify the impact of this departure from Canadian public accounting standards on expenses and annual surplus for the years ended December 31, 2023 and 2022, landfill closure and post-closure liability as at December 31, 2023 and 2022, and accumulated surplus as at January 1 and December 31 for both the 2023 and 2022 years.



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 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 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
December 18, 2024

The Corporation of the Municipality of Meaford
Consolidated Statement of Financial Position

December 31	2023	2022
Financial assets		
Cash (Note 2)	\$ 10,206,044	\$ 5,174,694
Investments (Note 3)	18,463,318	18,151,344
Taxes receivable	2,002,343	2,438,284
Trade and other receivables (Note 4)	4,115,974	1,875,542
Inventory held for resale	9,324	3,286
Long-term receivables (Note 5)	289,822	363,287
	<u>35,086,825</u>	<u>28,006,437</u>
Liabilities		
Accounts payable and accrued liabilities	5,829,836	5,501,062
Solid waste closure and post-closure liabilities (Note 6)	201,730	201,730
Post-employment benefits (Note 7)	2,267,166	2,200,566
Deferred revenue (Page 31)	7,012,541	7,133,140
Long-term liabilities (Note 8)	8,347,769	6,442,149
	<u>23,659,042</u>	<u>21,478,647</u>
Net financial assets	<u>11,427,783</u>	<u>6,527,790</u>
Non-financial assets		
Inventory of supplies	356,815	279,602
Prepaid expenses	464,964	551,990
Tangible capital assets (Note 9)	101,092,930	99,566,367
	<u>101,914,709</u>	<u>100,397,959</u>
Accumulated surplus (Note 10)	<u>\$ 113,342,492</u>	<u>\$ 106,925,749</u>

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

The Corporation of the Municipality of Meaford
Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31	2023 Budget (Note 12)	2023 Actual	2022 Actual
Revenue			
Taxation	\$ 18,436,780	\$18,817,912	\$ 17,538,175
Fees and user charges	8,748,220	8,405,019	8,037,284
Government transfers (Note 13)	5,883,270	5,428,481	3,648,485
Other income (Note 14)	2,086,320	2,287,057	1,480,234
	<u>35,154,590</u>	<u>34,938,469</u>	<u>30,704,178</u>
Expenses			
General government	4,915,220	5,071,052	4,520,485
Protection services	4,143,500	4,534,502	3,963,210
Transportation services	7,008,640	9,298,739	7,206,888
Environmental services	4,265,210	4,242,244	4,367,639
Recreation and cultural services	3,822,010	4,610,467	4,382,780
Planning and development	821,230	764,722	765,366
	<u>24,975,810</u>	<u>28,521,726</u>	<u>25,206,368</u>
Annual surplus (Note 12)	10,178,780	6,416,743	5,497,810
Accumulated surplus, beginning of the year	<u>106,925,749</u>	<u>106,925,749</u>	<u>101,427,939</u>
Accumulated surplus, end of the year	<u>\$117,104,529</u>	<u>\$113,342,492</u>	<u>\$106,925,749</u>

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

The Corporation of the Municipality of Meaford
Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31	2023 Budget (Note 12)	2023 Actual	2022 Actual
Annual surplus (Page 6)	\$ 10,178,780	\$ 6,416,743	\$ 5,497,810
Acquisition of tangible capital assets	(14,822,196)	(6,976,175)	(9,033,651)
Amortization of tangible capital assets	-	4,807,395	4,674,240
(Gain) loss on disposal of tangible capital assets	-	350,745	(65,370)
Proceeds on disposal of tangible capital assets	-	291,472	186,140
	<u>(14,822,196)</u>	<u>(1,526,563)</u>	<u>(4,238,641)</u>
Change in prepaid expenses	-	87,026	23,455
Change in inventories of supplies	-	(77,213)	57,234
	-	<u>9,813</u>	<u>80,689</u>
Increase (d ecrease) in net financial assets	(4,643,416)	4,899,993	1,339,858
Net financial assets, beginning of the year	<u>6,527,790</u>	<u>6,527,790</u>	<u>5,187,932</u>
Net financial assets, end of the year	<u>\$ 1,884,374</u>	<u>\$11,427,783</u>	<u>\$ 6,527,790</u>

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

The Corporation of the Municipality of Meaford
Consolidated Statement of Cash Flows

For the year ended December 31	2023	2022
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 6)	\$ 6,416,743	\$ 5,497,810
Items not involving cash		
Increase in landfill liabilities	-	21,836
Increase in post-employment benefits	66,600	68,466
Amortization	4,807,395	4,674,240
Deferred revenue recognized	(2,331,740)	(2,078,025)
(Gain) loss on disposal of capital assets	350,745	(65,370)
	<u>9,309,743</u>	<u>8,118,957</u>
Changes in non-cash working capital balances		
Taxes receivable	435,941	(412,268)
Trade and other receivables	(2,240,432)	748,707
Inventory held for resale	(6,038)	767
Accounts payable and accrued liabilities	328,774	617,442
Deferred revenue received	2,211,141	1,790,428
Change in prepaid expenses	87,026	23,455
Change in inventory of supplies	(77,213)	57,234
	<u>739,199</u>	<u>2,825,765</u>
	<u>10,048,942</u>	<u>10,944,722</u>
Capital transactions		
Cash used to acquire capital assets	(6,976,175)	(9,033,651)
Proceeds on sale of capital assets	291,472	186,140
	<u>(6,684,703)</u>	<u>(8,847,511)</u>
Investing activities		
Increase in investments	(311,974)	(3,715,028)
Additions to long-term receivables	(532,339)	(532,339)
Decrease in long-term receivables	605,804	1,044,267
	<u>(238,509)</u>	<u>(3,203,100)</u>
Financing activities		
Advances of long-term liabilities	2,675,389	2,908,226
Repayment of long-term liabilities	(769,769)	(697,455)
	<u>1,905,620</u>	<u>2,210,771</u>
Net change in cash and cash equivalents	5,031,350	1,104,882
Cash, beginning of the year	<u>5,174,694</u>	<u>4,069,812</u>
Cash, end of the year	<u>\$10,206,044</u>	<u>\$ 5,174,694</u>

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

The Corporation of the Municipality of Meaford Summary of Significant Accounting Policies

December 31, 2023

Management Responsibility The management of the Corporation of the Municipality of Meaford is responsible for the integrity, objectivity and accuracy of the financial information presented in these consolidated financial statements. The Council reviews and approves the consolidated financial statements.

Basis of Accounting The consolidated financial statements of the Corporation of the Municipality of Meaford have been prepared by management in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the 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 and municipal enterprises owned or controlled by Council have been consolidated:

- Cemetery Board
- Municipality of Meaford Library Board
- Bognor Community Centre
- Riverside Community Centre
- ReNew Meaford Arts and Business Association

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 consolidated financial statements using the proportionate consolidation method. The municipality's proportionate interest of the following government partnerships are reflected in the consolidated financial statements:

	2023	2022
Inter-Township Fire Department	25.00%	25.00%

The Corporation of the Municipality of Meaford Summary of Significant Accounting Policies

December 31, 2023

Use of Estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Estimates are used when accounting for items such as useful lives for tangible capital assets, accrued liabilities, post-employment benefits, solid waste closure and post-closure liabilities and taxes receivable.

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 uncollectible amounts.
- b) Fines and donations are recognized when collected.
- c) Other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.
- d) Government transfers are recognized as revenue in the consolidated 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.
- e) Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of operations in the year in which it is used for the specified purpose.

The Corporation of the Municipality of Meaford Summary of Significant Accounting Policies

December 31, 2023

Inventory Inventory held for consumption is recorded at the lower of cost and replacement cost. Inventory held for resale is recorded at lower of cost and net realizable value. Cost is determined on the average cost basis.

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

Land improvements	20 to 95 years
Facilities	15 to 95 years
Fleet	7 to 20 years
Machinery and equipment	2 to 20 years
Transportation infrastructure	3 to 100 years
Environmental infrastructure	80 years

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

Solid Waste Closure and Post-Closure Liabilities Site closure and post-closure care costs are recognized over the operating life of the landfill based on capacity used. The liability is recorded at its discounted value, based on the average long-term borrowing rate of the municipality.

Post-Employment Benefits The municipality provides post-employment travel, extended health, dental and life insurance benefits to eligible retired employees. The benefits earned by employees are determined using management's best estimate of expected benefit cost and are expensed as services are rendered.

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 is not aware of any contaminated sites for which a liability needs to be recognized.

The Corporation of the Municipality of Meaford Summary of Significant Accounting Policies

December 31, 2023

County and School Board	The municipality collects taxation revenue on behalf of the school boards and the County of Grey. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the County of Grey 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 consolidated financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.
Financial Instruments	Cash is measured at fair value. All other financial instruments; investments, taxes receivable, trade and other receivables, long-term 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
Asset Retirement Obligation	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. Management intends to complete an assessment of the asset retirement obligation as part of the facilities review planned.

The Corporation of the Municipality of Meaford Summary of Significant Accounting Policies

December 31, 2023

1. Change in Accounting Policy

Effective January 1, 2003, 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.

2. Cash

The Municipality of Meaford has an undrawn credit facility of \$3,800,000. Interest is calculated at TD bank prime less 0.5%.

3. Investments

	<u>2023</u>	<u>2022</u>
One Investment - Canadian Equity Portfolio	\$ 2,283,953	\$ 2,190,066
Savings account	-	4,772,900
Guaranteed investment certificates, interest rates of 4.96% to 5.9% (2022 - 2.0% to 5.3%), maturity dates January 2024 to March 2025 (2022 - May 2023 to December 2023)	15,772,900	11,000,000
Accrued interest	<u>406,465</u>	<u>188,378</u>
	<u>\$18,463,318</u>	<u>\$ 18,151,344</u>

Investments have a market value of \$18,366,514 (2022 - \$17,827,393) at the end of the year.

The Corporation of the Municipality of Meaford
Summary of Significant Accounting Policies

December 31, 2023

4. Trade and Other Receivables

	2023	2022
Federal and provincial government transfers and HST	\$ 947,042	\$ 721,733
Municipal government transfers	1,637,788	-
Trade and other receivables	1,531,144	1,153,809
	\$ 4,115,974	\$ 1,875,542

5. Long-Term Receivables

	2023	2022
Tile drainage loans, 6%, various repayments, due 2024 to 2030	\$ 45,857	\$ 52,170
Water and sewer connection charges receivable, 5%, due 2024 to 2025	76,077	109,187
Community improvement loans, 0% interest, repayable monthly, due 2028 to 2032	145,805	165,738
Local improvements, 3.45% interest, repayable quarterly, due 2025	22,083	36,192
	\$ 289,822	\$ 363,287

6. Solid Waste Landfill Post-Closure Liabilities

Solid waste landfill post-closure care requirements have been defined in accordance with industry standards and include ongoing environmental monitoring, site inspection and maintenance.

The liability for the landfill site is recorded at \$201,730 (2022 - \$201,730) and represents the present value of the post-closure costs for the Meaford landfill site, using a discount rate of 3.89% (2022 - 3.89%). The landfill was closed in 1992 and the liability is based on future monitoring and post-closure costs. The estimated remaining monitoring period is 18 years.

The Corporation of the Municipality of Meaford
Summary of Significant Accounting Policies

December 31, 2023

7. Retirement and Post-Employment Benefit

The Corporation of the Municipality of Meaford provides a defined benefit plan for retirement benefits other than pensions to employees who meet certain requirements when they retire. The municipality pays for the cost of travel, extended health, dental and life insurance benefits for the employees until age 65. For a group of specified employees who were grandfathered-in during amalgamation, the benefits coverage is for life. The post-employment benefit at December 31 includes the following components:

	2023	2022
Retirement benefits	\$ 2,442,966	\$ 2,390,266
Unamortized actuarial loss	(175,800)	(189,700)
	\$ 2,267,166	\$ 2,200,566

Actuarial valuations for accounting purposes are performed using the projected benefit method, pro-rated on services. The most recent actuarial report was prepared as at December 31, 2022.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, medical inflation rates, wage increases, employee turnover and mortality rates. There was no changes in assumptions as at December 31, 2022

The assumptions used reflect management's best estimates. The post-employment benefit liability was determined using a discount rate of 2.6% (2022 - 2.6%). For extended health care costs a 6.20% annual rate of increase was assumed for 2023, decreasing to a rate of 4.00% per year in 2042. For dental costs, a 4.0% (2022 - 4.0%) annual rate of increase was assumed.

	2023	2022
Current period benefit cost	\$ 105,000	\$ 102,300
Interest costs	63,400	62,000
Amortization of actuarial gain	13,900	13,900
	\$ 182,300	\$ 178,200

Total benefit payments on behalf of retirees during the year were \$84,825 (2022 - \$84,241).

The Corporation of the Municipality of Meaford
Summary of Significant Accounting Policies

December 31, 2023

8. Long-Term Liabilities

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

	2023	2022
Meaford Hall loan, OSIFA, interest at 5.14%, payable in blended semi-annual payments of \$130,028, due September 2028	\$ 1,133,585	\$ 1,327,783
Meaford waste pollution control plant loan, OSIFA, 2.62%, payable in blended semi-annual instalments of \$30,665, due December 2027	231,470	285,668
Tile drain loans, 6%, various repayment terms, due from 2024 to 2030	45,857	52,170
Leith capital projects, TD Bank, 3.46%, payable in blended monthly instalments of \$4,919, due August 2024	35,947	88,437
Meaford capital water projects, TD Bank, 3.55%, payable in blended monthly instalments of \$19,674, due August 2028	896,063	1,070,147
Carried forward	\$ 2,342,922	\$ 2,824,205

The Corporation of the Municipality of Meaford
Summary of Significant Accounting Policies

December 31, 2023

8. Long-Term Liabilities - (continued)

	<u>2023</u>	<u>2022</u>
Brought forward	\$ 2,342,922	\$ 2,824,205
Meaford capital sewer and roads projects, TD Bank, 2.62%, payable in blended monthly instalments of \$12,510, due August 2028	675,242	809,575
Meaford capital sewer, water and roads, Infrastructure Ontario, 3.39%, payable in blended monthly instalments of \$9195, due April 2037	1,182,337	1,251,326
Library, Infrastructure Ontario, 3.50%, payable in blended monthly instalments of \$11,525, due April 2037	1,471,879	1,557,043
Nelson Street Booster Pumping Station, Infrastructure Ontario, 4.85%, payable in blended monthly instalments of \$15,406, due December 2048	<u>2,675,389</u>	-
	<u>\$ 8,347,769</u>	<u>\$ 6,442,149</u>

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

2024	\$ 836,237
2025	831,466
2026	863,948
2027	897,466
2028	747,850
Thereafter	<u>4,170,802</u>
	<u>\$ 8,347,769</u>

Interest expense in the amount of \$271,794 (2022 - \$239,462) has been recognized on the consolidated statement of operations.

The Corporation of the Municipality of Meaford
Notes to Consolidated Financial Statements

December 31, 2023

9. Tangible Capital Assets

2023

	Land	Land Improvements	Facilities	Fleet	Machinery and Equipment	Transportation Infrastructure	Environmental Infrastructure	Asset Under Construction	Total
Cost, beginning of the year	\$ 5,133,054	\$ 5,767,477	\$ 42,817,750	\$ 7,934,197	\$ 13,339,969	\$ 80,349,806	\$ 31,998,918	\$ 3,604,075	\$ 190,945,246
Additions		427,400	187,074	636,754	736,702	960,970	242,550	3,784,725	6,976,175
Disposals	-	(86,873)	(1,467,803)	(486,948)	(20,898)	(36,630)	(22,216)	-	(2,121,368)
Re-allocation	-	521,908	512,606	-	142,451	3,960,301	906,070	(6,043,336)	-
Cost, end of the year	5,133,054	6,629,912	42,049,627	8,084,003	14,198,224	85,234,447	33,125,322	1,345,464	195,800,053
Accumulated amortization, beginning of the year	-	2,534,694	26,985,758	4,370,950	4,313,208	45,265,904	7,908,365	-	91,378,879
Amortization	-	204,244	698,949	501,386	677,911	2,307,477	417,428	-	4,807,395
Disposals	-	-	(924,954)	(486,948)	(14,236)	(36,630)	(16,383)	-	(1,479,151)
Accumulated amortization, end of the year	-	2,738,938	26,759,753	4,385,388	4,976,883	47,536,751	8,309,410	-	94,707,123
Net carrying amount, end of the year	\$ 5,133,054	\$ 3,890,974	\$ 15,289,874	\$ 3,698,615	\$ 9,221,341	\$ 37,697,696	\$ 24,815,912	\$ 1,345,464	\$ 101,092,930

The Corporation of the Municipality of Meaford
Notes to Consolidated Financial Statements

December 31, 2023

9. Tangible Capital Assets - (continued)

2022

	Land	Land Improvements	Facilities	Fleet	Machinery and Equipment	Transportation Infrastructure	Environmental Infrastructure	Asset Under Construction	Total
Cost, beginning of the year	\$ 5,133,054	\$ 5,631,305	\$ 40,788,519	\$ 7,809,376	\$ 10,850,336	\$ 78,666,786	\$ 29,156,463	\$ 4,465,006	\$ 182,500,845
Additions	-	55,301	512,000	486,596	638,857	1,545,319	497,937	5,297,641	9,033,651
Disposals	-	(27,853)	(33,120)	(361,775)	(31,616)	(100,858)	(34,028)	-	(589,250)
Re-allocation	-	108,724	1,550,351	-	1,882,392	238,559	2,378,546	(6,158,572)	-
Cost, end of the year	5,133,054	5,767,477	42,817,750	7,934,197	13,339,969	80,349,806	31,998,918	3,604,075	190,945,246
Accumulated amortization, beginning of the year	-	2,360,394	26,365,728	4,124,789	3,754,650	43,013,080	7,554,478	-	87,173,119
Amortization	-	194,495	644,550	522,972	578,936	2,353,677	379,610	-	4,674,240
Disposals	-	(20,195)	(24,520)	(276,811)	(20,378)	(100,853)	(25,723)	-	(468,480)
Accumulated amortization, end of the year	-	2,534,694	26,985,758	4,370,950	4,313,208	45,265,904	7,908,365	-	91,378,879
Net carrying amount, end of the year	\$ 5,133,054	\$ 3,232,783	\$ 15,831,992	\$ 3,563,247	\$ 9,026,761	\$ 35,083,902	\$ 24,090,553	\$ 3,604,075	\$ 99,566,367

The Corporation of the Municipality of Meaford
Notes to Consolidated Financial Statements

December 31, 2023

9. Tangible Capital Assets - (continued)

During the year, \$NIL in contributed land (2022 - \$NIL) was recognized in the financial statements.

The municipality holds various works of art and historical treasures pertaining to the Meaford Museum. These items are not recognized as tangible capital assets in the consolidated financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

10. Accumulated Surplus

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

	2023	2022
Invested in tangible capital assets		
Tangible capital assets purchased	\$ 101,092,930	\$ 99,566,367
Unfinanced capital assets	-	(4,436,552)
Capital assets financed by Internal debentures and to be funded in future years	(1,131,030)	(1,200,838)
Capital assets financed by long-term liabilities and to be funded in future years	(8,301,912)	(6,389,979)
Total invested in capital assets	91,659,988	87,538,998
Unfunded post-employment benefits	(2,267,166)	(2,200,566)
Unfunded solid waste closure and post-closure costs	(201,730)	(201,730)
Bognor Community Centre	28,469	24,905
Riverside Community Centre	17,044	15,794
Inter-Township Fire Department	(68,643)	(63,972)
General surplus (Note 12)	-	914,302
	89,167,962	86,027,731
Reserves and reserve funds (Note 11)	24,174,530	20,898,018
Accumulated surplus	\$ 113,342,492	\$ 106,925,749

By-law 2019-43 was passed May 13, 2019 to internally debenture \$299,418, at 2.35%, with annual payments of \$46,888, due May 2028, for the purposes of funding LED streetlight upgrades. By-law 2022-44 was passed July 11, 2022 to internally debenture \$1,075,000 at 3.95% interest, with monthly payments of \$5,645, due August 2047, for the purposes of funding the new library. The outstanding balance on these debentures at December 31, 2023 totals \$1,131,030 (2022 - \$1,200,838).

The Corporation of the Municipality of Meaford
Notes to Consolidated Financial Statements

December 31, 2023

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

	2023	2022
Reserves		
Working funds	\$ 2,143,187	\$ 2,416,699
Human resources	699,873	1,180,866
Tax stabilization reserve	710,993	-
Insurance	216,155	216,155
Current purposes	250,595	273,145
Capital purposes	2,003,827	2,000,222
	6,024,630	6,087,087
Reserve funds		
Capital purposes	18,149,900	14,810,931
Reserves and reserve funds set aside for specific purpose by Council	<u>\$24,174,530</u>	<u>\$ 20,898,018</u>

12. 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 Municipality of Meaford 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
Annual surplus (Page 6)	\$ 10,178,780	\$ 6,416,743	\$ 5,497,810
Amortization	-	4,807,396	4,674,240
	10,178,780	11,224,139	10,172,050
Net transfers (to) from reserves	4,396,446	(3,276,512)	(1,307,159)
Prior year general surplus (Note 10)	-	914,302	-
Capital acquisitions, disposals and write-down	(14,822,196)	(6,333,959)	(8,912,881)
Change in unfunded capital projects	-	(4,436,552)	(2,422,694)
Proceeds from long-term debt	1,074,000	2,675,232	2,908,226
Increase in internal debenture	-	-	1,075,000
Debt and debenture principal repayments	(827,030)	(833,107)	(742,693)
Change in unfunded liabilities	-	66,600	65,302
Change in other surpluses	-	(143)	79,151
Accumulated general surplus (Note 9)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 914,302</u>

The Corporation of the Municipality of Meaford
Notes to Consolidated Financial Statements

December 31, 2023

13. Government Transfers

	2023 Budget	2023 Actual	2022 Actual
Operating transfers			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	\$ 1,311,400	\$ 1,311,400	\$ 1,241,600
Roads and transit	114,640	89,361	98,757
Environmental services	150,000	137,417	173,815
Fire	2,500	8,788	20,790
Other	180,100	177,790	178,649
	1,758,640	1,724,756	1,713,611
Government of Canada			
Other	6,500	4,440	90,521
Other municipalities	2,113,060	1,618,726	11,472
Total operating transfers	3,878,200	3,347,922	1,815,604
Capital transfers			
Province of Ontario			
Roads	1,607,070	1,623,193	1,362,839
Government of Canada			
Canada Community - Building Fund - Roads	363,000	363,000	376,492
Other	35,000	94,366	93,550
	398,000	457,366	470,042
Total capital transfers	2,005,070	2,080,559	1,832,881
Total government transfers	\$ 5,883,270	\$ 5,428,481	\$ 3,648,485

The Corporation of the Municipality of Meaford
Notes to Consolidated Financial Statements

December 31, 2023

14. Other Income

	2023 Budget	2023 Actual	2022 Actual
Penalties, fines and interest on taxation	\$ 260,000	\$ 313,392	\$ 304,605
Investment income	140,000	1,048,293	426,756
Licenses, permits and rents	663,380	432,733	347,547
Donations and fundraising	8,500	68,383	36,670
Other income	56,500	387,132	119,501
Gain (loss) on disposal of tangible capital assets	-	(350,745)	65,370
Development charges recognized	957,940	387,869	179,785
	<u>\$ 2,086,320</u>	<u>\$ 2,287,057</u>	<u>\$ 1,480,234</u>

15. Government Business Partnership

The following summarizes the financial position and operations of the government business partnership which have been reported in these consolidated financial statements using the proportionate consolidation method:

Inter-Township Fire Department

Inter-Township Fire Department is a joint board under the shared control of the Corporation of the Municipality of Meaford, and the Corporation of the Municipality of Georgian Bluffs. The consolidated financial statements include the municipality's 25% proportionate interest of the following:

	2023	2022
Financial assets	\$ 912,716	\$ 804,268
Liabilities	265,135	185,599
Net financial assets	647,581	618,669
Non-financial assets	1,838,232	1,917,266
Accumulated surplus	<u>\$ 2,485,813</u>	<u>\$ 2,535,935</u>
Revenues	\$ 1,268,257	\$ 1,027,716
Expenses	1,349,002	1,096,767
Annual surplus (deficit)	<u>\$ (80,745)</u>	<u>\$ (69,051)</u>

The Corporation of the Municipality of Meaford
Notes to Consolidated Financial Statements

December 31, 2023

16. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 122 members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement entitlement to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The employer amount contributed to OMERS for 2023 was \$661,458 (2022 - \$559,455). The contribution rate for 2023 was 9.0% to 15.8% depending on age and income level (2021 - 9.0% to 15.8%).

OMERS is a multi-employer pension plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2023. At that time the plan reported a \$4.20 billion actuarial deficit (2022 - \$6.68 billion 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.

17. Operations of School Boards and the County of Grey

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

	2023	2022
School boards	\$ 3,496,120	\$ 3,280,519
County of Grey	7,572,251	7,252,138
	<u>\$11,068,371</u>	<u>\$ 10,532,657</u>

18. Trust Funds

The trust funds administered by the municipality amounting to \$792,513 (2022 - \$774,543) 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.

The Corporation of the Municipality of Meaford
Notes to Consolidated Financial Statements

December 31, 2023

19. Commitments

The Municipality of Meaford has entered into contracts totaling \$6,712,595 for the purchase and repairs of significant capital assets with \$3,252,487 remaining to be spent.

20. Contingent Liabilities

- (a) The municipality has been served with claims as a result of motor vehicle accidents and other claims. The municipality is not aware of any possible settlements in excess of its liability insurance coverage. The outcomes of these claims are not determinable at this time.
 - (b) The municipality has been named as a co-defendant in a claim relating to building code and property matters for alleged damages of an estimated \$8 million. The municipality's liability with respect to this action is not determinable at the present time.
-

21. 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 Municipality of Meaford
Notes to Consolidated Financial Statements

December 31, 2023

21. 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 \$10,303,691 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 \$15,780,269 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	\$ 10,206,044	\$ -	\$ -	\$ -	-
Investments	4,383,388	2,360	12,496,118	1,581,452	
Trade and other receivables	205,362	1,646,573	1,646,573	411,643	205,823
Taxes receivable	100,117	200,234	700,820	1,001,172	-
Long term receivables		4,983	71,037	59,389	154,413
Total	\$ 14,894,911	\$ 1,854,150	\$ 14,914,548	\$ 3,053,656	\$ 360,236

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	\$ 3,789,028	\$ 1,166,176	\$ 874,632	\$ -
Long-term liabilities	418,119	418,119	3,607,024	3,904,507
Total financial liabilities	\$ 4,207,147	\$ 1,584,295	\$ 4,481,656	\$ 3,904,507

The Corporation of the Municipality of Meaford Notes to Consolidated Financial Statements

December 31, 2023

22. Segmented Information

The Corporation of the Municipality of Meaford is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, sewer, water, waste, collection, disposal and recycling, recreational, library 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

General government includes revenues and expenses that relate to the governance and operations of the municipality itself and cannot be directly attributed to a specific segment.

Protection to Persons and Property

Protection is comprised of police services, fire protection, conservation authority, emergency measures, animal control 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 its 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.

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 and arenas. The municipality also provides library services and recreational programs. This segment also includes contributions to the operations of local cemeteries.

The Corporation of the Municipality of Meaford
Notes to Consolidated Financial Statements

December 31, 2023

22. 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, business improvement area, weed control, 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, and payments-in-lieu	Allocated to those segments that are funded by these amounts based on the budget for the year
OMPF Grants	Allocated to segments based on the budget for the year

The Corporation of the Municipality of Meaford
Notes to Consolidated Financial Statements

December 31, 2023

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Recreation and Cultural Services	Planning and Development	2023 Total
Revenue							
Taxation	\$ 3,575,402	\$ 3,951,762	\$ 7,150,807	\$ 1,129,075	\$ 2,634,508	\$ 376,358	\$ 18,817,912
Fees and user charges	155,515	100,255	31,106	5,897,139	1,927,089	293,915	8,405,019
Specific grants	142,978	9,388	3,692,780	137,417	134,518	-	4,117,081
OMPF grant	249,166	275,394	498,332	78,684	183,596	26,228	1,311,400
Other revenue	1,846,799	655,189	(605,228)	59,173	253,851	77,273	2,287,057
	<u>5,969,860</u>	<u>4,991,988</u>	<u>10,767,797</u>	<u>7,301,488</u>	<u>5,133,562</u>	<u>773,774</u>	<u>34,938,469</u>
Expenses							
Salaries and benefits	3,495,467	1,273,447	1,971,019	742,276	2,059,187	430,588	9,971,984
Post-employment benefit	-	-	-	-	-	-	-
Interest on debt	96,337	-	19,877	90,109	62,341	3,130	271,794
Materials and supplies	1,226,871	877,413	3,571,821	985,550	1,308,395	331,004	8,301,054
Contracted services	73,928	1,922,466	959,744	1,384,868	316,625	-	4,657,631
Other transfers	8,500	252,732	-	-	6,000	-	267,232
Rents and financial expenses	39,032	-	4,136	51,553	149,915	-	244,636
Amortization	130,917	208,444	2,772,142	987,888	708,004	-	4,807,395
	<u>5,071,052</u>	<u>4,534,502</u>	<u>9,298,739</u>	<u>4,242,244</u>	<u>4,610,467</u>	<u>764,722</u>	<u>28,521,726</u>
Annual surplus (deficit)	\$ 898,808	\$ 457,486	\$ 1,469,058	\$ 3,059,244	\$ 523,095	\$ 9,052	\$ 6,416,743

The Corporation of the Municipality of Meaford
Notes to Consolidated Financial Statements

December 31, 2023

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Recreation and Cultural Services	Planning and Development	2022 Total
Revenue							
Taxation	\$ 3,332,253	\$ 4,384,544	\$ 5,962,980	\$ 526,145	\$ 2,806,108	\$ 526,145	\$ 17,538,175
Fees and user charges	201,933	62,127	25,647	5,600,563	1,934,148	212,866	8,037,284
Specific grants	113,832	20,790	1,838,088	173,815	163,208	97,152	2,406,885
OMPF grant	235,904	310,400	422,144	37,248	198,656	37,248	1,241,600
Other revenue	876,275	375,957	38,507	107,489	37,021	44,985	1,480,234
	<u>4,760,197</u>	<u>5,153,818</u>	<u>8,287,366</u>	<u>6,445,260</u>	<u>5,139,141</u>	<u>918,396</u>	<u>30,704,178</u>
Expenses							
Salaries and benefits	2,999,155	1,076,304	1,804,439	815,390	2,029,208	358,060	9,082,556
Post-employment benefit	-	-	-	-	-	-	-
Interest on debt	56,325	-	23,343	84,083	72,223	3,488	239,462
Materials and supplies	1,160,280	571,732	1,839,432	1,115,207	1,110,827	403,818	6,201,296
Contracted services	97,503	1,974,015	686,892	1,486,132	331,282	-	4,575,824
Other transfers	94,000	156,321	-	-	-	-	250,321
Rents and financial expenses	16,629	-	-	34,740	131,300	-	182,669
Amortization	96,593	184,838	2,852,782	832,087	707,940	-	4,674,240
	<u>4,520,485</u>	<u>3,963,210</u>	<u>7,206,888</u>	<u>4,367,639</u>	<u>4,382,780</u>	<u>765,366</u>	<u>25,206,368</u>
Annual surplus (deficit)	\$ 239,712	\$ 1,190,608	\$ 1,080,478	\$ 2,077,621	\$ 756,361	\$ 153,030	\$ 5,497,810

The Corporation of the Municipality of Meaford
Schedule of Deferred Revenue

For the year ended December 31, 2023

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 4,887,928	\$ 319,665	\$ 173,902	\$ (760,492)	\$ 4,621,003
Recreational land	23,395	21,533	1,057	-	45,985
Canada Community - Building Fund	999,061	363,737	37,747	(363,000)	1,037,545
MTO transit funding	774,375	73,439	28,518	(62,978)	813,354
	6,684,759	778,374	241,224	(1,186,470)	6,517,887
Other					
OCIF funding	14,124	1,145,272	18,389	(1,145,270)	32,515
Other	434,257	27,882	-	-	462,139
	\$ 7,133,140	\$ 1,951,528	\$ 259,613	\$ (2,331,740)	\$ 7,012,541

The Corporation of the
Municipality of Meaford
Trust Funds
For the year ended December 31, 2023

The Corporation of the Municipality of Meaford
Trust Funds
For the year ended December 31, 2023

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The Corporation of the Municipality of Meaford

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Independent Auditor's Report

To the Members of Council
of the Corporation of the Municipality of Meaford

Opinion

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

In our opinion the accompanying 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 Statements section of our report. We are independent of the Riverside Community Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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 organization'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 organization'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 organization 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
December 18, 2024

The Corporation of the Municipality of Meaford
Trust Funds
Balance Sheet

December 31, 2023

	Total	Cemetery Care and Maintenance	Ontario Home Renewal Program
Assets			
Cash	\$ 184,528	\$ 184,528	\$ -
Investments (Note 2)	623,153	623,153	-
Loans receivable (Note 3)	2,100	-	2,100
Liabilities			
Due to general account	17,268	17,268	-
Fund balance	\$ 792,513	\$ 790,413	\$ 2,100

Statement of Continuity

For the year ended December 31, 2023

	Total	Cemetery Care and Maintenance	Ontario Home Renewal Program
Balance, beginning of the year	\$ 774,543	\$ 772,443	\$ 2,100
Receipts			
Perpetual care	17,970	17,970	-
Interest earned	35,240	35,240	-
	53,210	53,210	-
Expenses			
Transfer to municipality	35,240	35,240	-
Balance, end of the year	\$ 792,513	\$ 790,413	\$ 2,100

The Corporation of the Municipality of Meaford
Trust Funds
Notes to Financial Information

December 31, 2023

1. Summary of Significant Accounting Policies

Management Responsibility The management of the Corporation of the Municipality of Meaford is responsible for the integrity, objectivity and accuracy of this financial information. Council reviews and approves the financial information.

Basis of Accounting The financial information of the Corporation of the Municipality of Meaford Trust Funds are the representation of management. They have been prepared by management in accordance with public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada as prescribed by the Ontario Ministry of Municipal Affairs and Housing.

Revenue 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.

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.

The Corporation of the Municipality of Meaford
Trust Funds
Notes to Financial Information

December 31, 2023

1. Summary of Significant Accounting Policies (cont'd)

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.
Basis of Consolidation	These trust funds have not been consolidated with the financial statements of the municipality.

2. Investments

Investments consist of a cash savings account of \$11,113, guaranteed investment certificates of \$603,993 and accrued interest of \$8,044. The guaranteed investment certificates earn interest of 3% to 5.3% and mature June to December 2024.

3. Ontario Home Renewal Program

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing in 1973 to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans were limited to \$7,500, of which the maximum forgivable portion was \$4,000.

Ontario Home Renewal Program loans receivable at December 31, 2023 comprise repayable loans of \$2,100 (2022 - \$2,100) and forgivable loans of \$Nil (2022 - \$Nil). Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continuous ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balance of the repayable loan and the unearned forgivable loan immediately becomes due and payable by the homeowner.

As of July 16, 1993 the Ontario Home Renewal Program was discontinued and municipalities were prohibited from issuing further loans as of that date. All OHRP funds held in municipal trust accounts as of December 31, 1993 were remitted to the Province by March 1, 1994. Any loans receivable under the program which are collected subsequent to December 31, 1993 were remitted to the Province by March 1 of the following year. However, municipalities will be provided an administration fee of five per cent of the balances collected after December 31, 1993 and are permitted to retain the interest earned on unremitted OHRP trust account balances.

The Corporation of the Municipality of Meaford
Trust Funds
Notes to Financial Information

December 31, 2023

4. 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, investments and loans receivable. 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.
