The Corporation of the Municipality of Northern Bruce Peninsula

Financial Information

For the year ended December 31, 2024

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of the Corporation of the Municipality of Northern Bruce Peninsula (the "Municipality"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

MNP LLP
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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

MNP LLP

Owen Sound, Ontario — Chartered Professional Accountants

December 22, 2025 — Licensed Public Accountants

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The Corporation of the Municipality of Northern Bruce Peninsula
Statement of Financial Position

December 31	2024	2023
Financial assets		
Cash (Note 1)	**$ 11,603,272**	$ 16,607,633
Temporary investments (Note 1)	**3,173,500**	-
Taxes receivable	**1,543,804**	1,185,689
Trade and other receivables	**2,690,940**	1,763,809
Inventory held for resale	**91,160**	96,101
Long-term receivables (Note 2)	**198,084**	107,286
	19,300,760	19,760,518
Liabilities		
Accounts payable and accrued liabilities	**1,702,265**	1,537,731
Asset retirement obligation liabilities (Note 3)	**485,455**	464,315
WSIB future benefits cost liabilities (Note 12)	**79,900**	81,000
Post-employment benefits liabilities (Note 13)	**149,500**	155,500
Deferred revenue (Page 29)	**455,404**	410,279
Long-term liabilities (Note 4)	**472,597**	482,738
	3,345,121	3,131,563
Net financial assets	**15,955,639**	16,628,955
Non-financial assets		
Inventory of supplies	**283,111**	279,060
Tangible capital assets (Note 5)	**47,382,716**	44,449,313
Accumulated surplus (Note 6)	**$ 63,621,466**	$ 61,357,328

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

The Corporation of the Municipality of Northern Bruce Peninsula
Statement of Operations and Accumulated Surplus

For the year ended December 31	2024 Budget (Note 8)	**2024 Actual**	2023 Actual
Revenue			
Taxation	$ 9,411,100	**$ 9,770,560**	$ 9,055,655
Fees and user charges	3,329,926	**3,451,684**	3,368,857
Government transfers (Note 10)	5,572,874	**2,600,161**	3,251,100
Other income (Note 9)	1,665,900	**2,244,881**	2,388,771
	19,979,800	**18,067,286**	18,064,383
Expenses			
General government	2,034,865	**2,180,305**	2,143,609
Protection services	2,900,828	**3,069,696**	2,913,730
Transportation services	2,675,250	**5,165,143**	4,792,937
Environmental services	1,521,876	**1,763,349**	1,814,126
Health services	135,300	**162,020**	435,427
Recreation and cultural services	1,097,700	**1,508,336**	1,294,931
Harbour services	1,336,400	**1,369,196**	1,400,886
Planning and development	609,672	**585,103**	592,671
	12,311,891	**15,803,148**	15,388,317
Annual surplus (Note 8)	7,667,909	**2,264,138**	2,676,066
Accumulated surplus, beginning of the year	61,357,328	**61,357,328**	58,681,262
Accumulated surplus, end of the year	$ 69,025,237	**$ 63,621,466**	$ 61,357,328

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

The Corporation of the Municipality of Northern Bruce Peninsula
Statement of Changes in Net Financial Assets

For the year ended December 31	2024 Budget (Note 8)	**2024 Actual**	2023 Actual
Annual surplus (Page 5)	$ 7,667,909	**$ 2,264,138**	$ 2,676,066
Acquisition of tangible capital assets	(12,424,855)	**(6,056,064)**	(4,175,850)
Amortization of tangible capital assets	-	**3,012,195**	2,765,963
Gain on sale of tangible capital assets	-	**(4,319)**	(41,473)
Proceeds on disposal of capital assets	-	**114,785**	41,522
	(12,424,855)	**(2,933,403)**	(1,409,838)
Change in inventories of supplies	-	**(4,051)**	(71,167)
Increase (decrease) in net financial assets	(4,756,946)	**(673,316)**	1,195,061
Net financial assets, beginning of the year	16,628,955	**16,628,955**	15,433,894
Net financial assets, end of the year	$ 11,872,009	**$ 15,955,639**	$ 16,628,955

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

The Corporation of the Municipality of Northern Bruce Peninsula
Statement of Cash Flows

For the year ended December 31	2024	2023
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 5)	**$ 2,264,138**	$ 2,676,066
Items not involving cash		
Asset retirement obligation accretion	**21,140**	20,249
Change in post-employment benefits and WSIB liabilities	**(7,100)**	85,000
Amortization	**3,012,195**	2,765,963
Deferred revenue recognized	**(196,162)**	(638,418)
Changes in inventory of supplies	**(4,051)**	(71,167)
Gain loss on sale of capital assets	**(4,319)**	(41,473)
	5,085,841	4,796,220
Changes in non-cash working capital balances		
Taxes receivable	**(358,115)**	(303,085)
Trade and other receivables	**(927,131)**	(906,187)
Accrued interest	**(173,500)**	-
Inventory held for resale	**4,941**	(10,009)
Accounts payable and accrued liabilities	**164,534**	(140,660)
Deferred revenue received	**241,287**	544,327
	4,037,857	3,980,606
Capital transactions		
Cash used to acquire capital assets	**(6,056,064)**	(4,175,850)
Proceeds on sale of capital assets	**114,785**	41,522
	(5,941,279)	(4,134,328)
Investing activities		
Increase (decrease) in temporary investments	**(3,000,000)**	663,434
Increase in long-term receivables	**(100,000)**	(65,100)
Repayment of long-term receivables	**9,202**	5,789
	(3,090,798)	604,123
Financing activities		
Increase in long-term liabilities	**100,000**	65,100
Repayment of long-term liabilities	**(110,141)**	(102,014)
	(10,141)	(36,914)
Net change in cash and cash equivalents	**(5,004,361)**	413,487
Cash, beginning of the year	**16,607,633**	16,194,146
Cash, end of the year	**$ 11,603,272**	$ 16,607,633

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

December 31, 2024

Management Responsibility

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

Basis of Accounting

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

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items such as accrued grant receivables, accrued liabilities, useful lives of capital assets, taxation revenue, deferred revenues, post-employment benefits, WSIB liability and solid waste landfill closure and post-closure costs. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.

Cash and Cash Equivalents

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

County and School Board

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

Inventory of Supplies

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

Inventory Held For Resale

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

Tangible Capital Assets

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

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

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

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequentially 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.

Post-Employment Benefits

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

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

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

Liability for Contaminated Sites

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

Financial Instruments

Cash is measured at fair value. Accounts receivable and accounts payable and accrued 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.

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 performed.

d) Investment income earned on surplus funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is recorded directly to each fund balance and forms part of the respective deferred revenue balances.

e) Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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.

December 31, 2024

1. Cash and Temporary Investments

	2024	2023
Cash	**$ 11,603,272**	$ 16,607,633
Temporary investment	**3,000,000**	-
Accrued interest	**173,500**	-
	$ 14,776,772	$ 16,860,436

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

Temporary investment is a guaranteed investment certificate with an interest rate of 6.1% and a maturity date of January 2025.

2. Long-Term Receivables

	2024	2023
Tile drainage loans, 6%, due 2031 to 2034	**198,084**	107,286

3. Asset Retirement Obligations

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

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

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

	2024	2023
Asset retirement obligation, opening	**$ 464,315**	$ 444,066
Accretion expense	**21,140**	20,249
Asset retirement obligation, closing	**$ 485,455**	$ 464,315

4. Long-Term Liabilities

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

	2024	2023
Tile drainage loans payable, 6%, due 2031 to 2034	**$ 198,084**	$ 107,286
Loan payable, Ontario Strategic Infrastructure Financing Authority, 4.84%, payable in blended semi-annual payments of $58,952, due 2027	**274,513**	375,452
	$ 472,597	$ 482,738

The gross interest paid during the year relating to the above long-term debt was $23,402.

The gross interest expensed during the year was $21,555.

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

2025	$ 123,224
2026	$ 129,451
2027	$ 77,042
2028	$ 20,652
2029	$ 21,892
Thereafter	$ 100,336
	$ 472,597

5. Tangible Capital Assets

								2024
	Land	Land Improvements	Buildings	Equipment	Vehicles and Machinery	Transportation Infrastructure	Water and Sewer Infrastructure	Total
Cost, beginning of the year	$4,221,962	$ 2,096,843	$ 19,549,065	$ 4,507,565	$ 6,006,566	$ 54,734,724	$ 3,916,194	$ 95,032,919
Additions	231,161	197,633	537,452	397,019	1,374,479	3,254,027	64,293	6,056,064
Disposals	-	-	-	(24,640)	(307,492)	-	-	(332,132)
Cost, end of the year	4,453,123	2,294,476	20,086,517	4,879,944	7,073,553	57,988,751	3,980,487	100,756,851
Accumulated amortization, beginning of the year	-	1,461,890	8,264,134	2,708,388	3,360,118	32,598,700	2,190,376	50,583,606
Amortization	-	69,671	377,616	279,038	381,286	1,830,008	74,576	3,012,195
Disposals	-	-	-	(221,666)	-	-	-	(221,666)
Accumulated amortization, end of the year	-	1,531,561	8,641,750	2,765,760	3,741,404	34,428,708	2,264,952	53,374,135
Net carrying amount, end of the year	$4,453,123	$ 762,915	$ 11,444,767	$ 2,114,184	$ 3,332,149	$ 23,560,043	$ 1,715,535	$ 47,382,716

5. Tangible Capital Assets - (continued)

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

5. Tangible Capital Assets - (continued)

At December 31, 2024, there was $813,596 work in progress that was not being amortized.

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

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

6. Accumulated Surplus

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

	2024	2023
Invested in tangible capital assets		
Tangible capital assets at cost less amortization	**$ 47,382,716**	$ 44,449,313
Capital assets financed by long-term liabilities and to be funded in future years	**(274,513)**	(375,452)
Total invested in capital assets	**47,108,203**	44,073,861
Unfunded post-employment benefits	**(229,400)**	(236,500)
Unfunded solid waste closure and post-closure costs	**(485,455)**	(464,315)
	46,393,348	43,373,046
Reserves and reserve funds (Note 7)	**17,228,118**	17,984,282
Accumulated surplus	**$ 63,621,466**	$ 61,357,328

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

	2024	2023
Reserves		
Working funds	**$ 921,165**	$ 921,165
Current purposes	**3,274,412**	3,095,173
Capital purposes	**11,603,140**	12,657,586
Tax rate stabilization	**247,390**	187,390
	16,046,107	16,861,314
Reserve funds		
Capital purposes	**1,182,011**	1,122,968
Reserves and reserve funds set aside for specific purpose by Council	**$ 17,228,118**	$ 17,984,282

December 31, 2024

8. Budgets

Under Canadian public sector accounting standards, budget amounts are to be reported on the statement of operations and accumulated surplus and changes in net financial assets for comparative purposes. The 2024 budget amounts for the Corporation of the Municipality of Northern Bruce Peninsula approved by Council have been reclassified to conform to the presentation of the statements of operations and accumulated surplus and changes in net financial assets. The following is a reconciliation of the budget approved by Council.

	2024 Budget	**2024 Actual**	2023 Actual
Annual surplus (Page 5)	$ 7,667,909	**$ 2,264,138**	$ 2,676,066
Amortization	-	**3,012,195**	2,765,963
	7,667,909	**5,276,333**	5,442,029
Net transfers to reserves and reserve funds	(888,780)	**(1,970,086)**	(1,599,030)
Transfers from reserves for capital	5,762,226	**3,347,401**	1,192,370
Capital acquisitions, disposals and write-down	(12,424,855)	**(5,945,598)**	(4,175,801)
Debt principal repayments	(116,500)	**(100,939)**	(96,225)
Change in unfunded liabilities	-	**14,040**	105,249
Surplus	-	**621,151**	868,592
Surplus transfer to reserve per resolution	-	**(621,151)**	(868,592)
	$ -	**$ -**	$ -

9. Other Income

	2024 Budget	**2024 Actual**	2023 Actual
Penalties and interest on taxation	$ 240,000	**$ 267,004**	$ 218,012
Other fines and penalties	171,500	**71,428**	135,121
Investment income	554,000	**987,157**	979,732
Licenses, permits and rents	320,400	**297,635**	382,354
Donations	11,400	**79,266**	62,914
Gain on disposition of capital assets	5,000	**4,319**	41,473
Short term accommodation fees	355,000	**533,473**	546,603
Insurance recoveries	8,600	**4,599**	22,562
	$ 1,665,900	**$ 2,244,881**	$ 2,388,771

10. Government Transfers

	2024 Budget	**2024 Actual**	2023 Actual
Operating Transfers			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	$ 1,686,900	**$ 1,686,900**	$ 1,700,000
Roads	25,000	**21,526**	20,909
Sewer and water	36,000	**35,250**	35,250
Other	254,000	**155,011**	270,865
	2,001,900	**1,898,687**	2,027,024
Government of Canada			
Roads	20,000	**20,543**	22,115
Sewer and water	40,000	**77,515**	82,511
Other	11,000	**18,767**	8,680
	71,000	**116,825**	113,306
Other Municipalities			
Sewer and water	38,000	**-**	26,933
Other	18,400	**41,858**	18,458
	56,400	**41,858**	45,391
Total operating transfers	2,129,300	**2,057,370**	2,185,721
Capital Transfers			
Province of Ontario			
Roads	294,770	**294,773**	346,792
Other	1,410,334	**96,966**	231,466
	1,705,104	**391,739**	578,258
Government of Canada			
Roads	138,470	**138,470**	180,000
Other	1,600,000	**12,582**	307,121
	1,738,470	**151,052**	487,121
Total capital transfers	3,443,574	**542,791**	1,065,379
Total contributions	$ 5,572,874	**$ 2,600,161**	$ 3,251,100

December 31, 2024

11. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 50 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 was $321,356 (2023 - $284,996). 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. 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, 2024. At that time the plan reported a $2.90 billion actuarial deficit (2023 - $4.2 billion), 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 declines in the financial markets may lead to increased future funding requirements.

12. Workplace Safety and Insurance Board (WSIB)

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

	2024	2023
WSIB future benefit	**$ 79,900**	$ 81,000

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

The actuarial valuation was based on a number of assumptions such as, discount rates, wage increases, and WSIB payment rates. The assumptions used reflect management's best estimates. The WSIB benefit liability was determined using a discount rate of 4.3% (2023 - 4.3%).

	2024	2023
Current period benefit cost	**$ (4,500)**	$ (6,000)
Actuarial loss	**3,400**	87,000
Total expense for the year	**(1,100)**	81,000

13. Retirement and Post-Employment Benefit

The Municipality of Northern Bruce Peninsula provides certain benefits, including retirement benefits and other post-employment benefits, to its employees. Payments for these benefits totalled $7,900 (2023 - $11,200). The post-employment benefit at December 31 includes the following components:

	2024	2023
Retirement benefits	$ 112,300	$ 105,200
Unamortized actuarial gain	37,200	50,300
	$ 149,500	$ 155,500

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

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, medical inflation rates, wage increases, employee turnover and mortality rates.

The assumptions used reflect management's best estimates. The expected inflation rate is 4.4% decreasing to 2% in 2026. The employee salaries are expected to increase 3% per year. The post-employment benefit liability was determined using a discount rate of 4.3% (2023 - 4.3%). For extended health care costs, a 6.98% annual rate of increase was assumed for 2023, decreasing to an ultimate rate of 4.5% per year for 2044. For dental costs, a 4.5% annual rate of increase was assumed.

	2024	2023
Current period benefit cost	$ 7,900	$ 11,200
Interest costs	4,700	2,900
Benefit payments	(5,500)	-
Retirement benefit expense	7,100	14,100
Amortization of actuarial gain	(13,100)	(10,100)
Total expense (gain) for the year	$ (6,000)	$ 4,000

December 31, 2024

14. 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	**$ 2,951,365**	$ 2,902,529
County of Bruce	**9,218,767**	8,480,679
	$ 12,170,132	$ 11,383,208

15. Trust Funds

The trust funds administered by the municipality amounting to $268,614 (2023 - $256,868) have not been included in the statement of financial position nor have the operations been included in the statement of operations and accumulated surplus.

16. Contractual Commitments

Council approved the commencement of the design and construction of the Lion's Head Arena Project and that the project costs be capped at $10,000,000 excluding HST and architectural fees. As at December 31, 2024, Council awarded a tender of $1,121,220 for the design phase of the project. The project costs are anticipated to be incurred in 2026.

17. Contingencies

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

18. Financial Instruments

Financial Instrument Risk Management

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

Interest Rate Risk

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

Credit Risk

The Municipality is exposed to credit risk arising from its cash, taxes receivable, trade and other receivables and long-term receivables. On December 31, 2024, the Municipality had deposits of $12,890,556 in a Canadian Chartered bank. The Canadian Deposit Insurance Corporation insures deposits up to a maximum of $100,000 per depositor. There is the possibility of non-collection of taxes receivable, trade and other receivables and long-term receivables. The majority of the Municipality's receivables are from ratepayers and government entities. For receivables, the Municipality measures impairment of each receivable type based on how long the amounts have been outstanding. The amounts outstanding at year end, which is the Municipality's maximum exposure to credit risk related to receivables, was as follows:

18. Financial Instruments - (continued)

	0 - 30 days	31 - 90 days	91 - 365 days	1 to 2 years	3 to 10 years
Cash and investments	$ 14,776,772	$ -	$ -	$ -	$ -
Taxes receivable	624,296	-	-	512,192	357,316
Trade and other receivables	2,662,989	13,104	14,847	-	-
Long-term receivables	-	-	-	35,721	162,363
Total	$ 18,064,057	$ 13,104	$ 14,847	$ 547,913	$ 519,679

Liquidity Risk

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

	Within 6 months	6 months to 1 year	1 - 5 years	Over 5 years
Accounts payable and accrued liabilities	$ 1,702,265	$ -	$ -	-
Long-term debt	60,979	62,245	249,037	100,336
Total financial liabilities	$ 1,763,244	$ 62,245	$ 249,037	100,336

19. Segmented Information

The Corporation of the Municipality of Northern Bruce Peninsula is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, sewer, water, waste collection and disposal, health services, recreation and planning. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

This item related to the revenues and expenses that relate to the governance and operations of the municipality itself and cannot be directly attributed to a specific segment.

Protection to Persons and Property

Protection is comprised of police services, fire protection, emergency measures and building and structural inspection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The members of the fire department consist of volunteers. The building department provides a number of services including maintenance and enforcement of building and construction codes and review of all property development plans through its application process.

Transportation

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

19. Segmented Information - (continued)

Environmental

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

Health

Health services includes the operations of local cemeteries.

Recreational and Cultural Services

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

Planning and Development

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

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

Taxation, payments-in-lieu	Allocated to those segments that are funded by these amounts based on the budget for the year.
OMPF Grants	Allocated to segments based on the budget for the year.

For the year ended December 31, 2024	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	2024 Total
Revenue								
Taxation	$ 1,172,467	$ 2,149,523	$ 4,103,635	$ 683,939	$ 97,706	$ 1,270,173	$ 293,117	$ 9,770,560
Fees and user charges	18,926	177,062	800,446	745,351	75,149	1,617,988	16,762	3,451,684
Specific grants	11,428	67,041	475,312	223,190	-	120,960	15,330	913,261
OMPF grant	202,428	371,118	708,498	118,083	16,869	219,297	50,607	1,686,900
Other revenue	1,188,549	269,083	62,166	44,919	48,984	110,980	520,200	2,244,881
	2,593,798	3,033,827	6,150,057	1,815,482	238,708	3,339,398	896,016	18,067,286
Expenses								
Salaries and benefits	1,356,272	755,873	1,271,459	117,626	19,226	956,396	92,646	4,569,498
Interest on debt	-	-	-	15,118	-	-	6,437	21,555
Materials and supplies	528,009	677,401	1,606,372	654,189	22,030	1,480,426	326,985	5,295,412
Contracted services	236,908	1,413,729	153,830	690,816	34,962	2,172	3,000	2,535,417
Other transfers	-	-	-	-	50,000	-	156,035	206,035
Rents and financial expenses	-	-	406	-	-	141,483	-	141,889
Amortization	57,408	222,693	2,133,076	266,168	35,802	297,055	-	3,012,202
Accretion	1,708	-	-	19,432	-	-	-	21,140
	2,180,305	3,069,696	5,165,143	1,763,349	162,020	2,877,532	585,103	15,803,148
Annual surplus (deficit)	***$ 413,493***	***$ (35,869)***	***$ 984,914***	***$ 52,133***	***$ 76,688***	***$ 461,866***	***$ 310,913***	***$ 2,264,138***

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

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

For the year ended December 31, 2024

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Canada Community-Building Fund	$ 6,634	$ 140,438	$ 2,531	$ (138,470)	**$ 11,133**
Recreational land	132,486	17,000	6,776	-	**156,262**
	139,120	157,438	9,307	(138,470)	**167,395**
Other					
Source Protection Municipal Implementation Fund	12,277	-	-	(1,700)	**10,577**
Building permits	-	37,000	-	-	**37,000**
Other	52,011	37,542	-	(24,662)	**64,891**
Museum Trillium Grant	39,692	-	-	(31,330)	**8,362**
OCIF Funding	167,179	-	-	-	**167,179**
	$ 410,279	$ 231,980	$ 9,307	$ (196,162)	**$ 455,404**

The Corporation of the Municipality of Northern Bruce Peninsula

Trust Funds

Financial Information

For the year ended December 31, 2024

The Corporation of the Municipality of Northern Bruce Peninsula
Trust Funds
For the year ended December 31, 2024

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The Corporation of the Municipality of Northern Bruce Peninsula Trust Funds

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

Opinion

We have audited the accompanying financial information for the Corporation of the Municipality of Northern Bruce Peninsula Trust Funds (Trust Funds), which comprise the balance sheet as 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 accompanying 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 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 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.

MNP LLP
PO Box 397, Third Floor, 1717 2nd Avenue East, Owen Sound ON, N4K 5P7 T: 519.376.6110 F: 519.376.4741

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.

MNP LLP

Owen Sound, Ontario — **Chartered Professional Accountants**

December 22, 2025 — **Licensed Public Accountants**

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

December 31, 2024

Assets	Cemetery Perpetual Care and Maintenance
Cash	$ 270,146
Due from general account	1,678
	$ 271,824
Liabilities	
Due to general account	$ 3,210
Fund balance	268,614
	$ 271,824

Statement of Continuity

For the year ended December 31, 2024

	Cemetery Perpetual Care and Maintenance
Balance, beginning of the year	$ 256,873
Receipts	
Bank interest	13,273
Care and maintenance	11,741
	25,014
Expenses	
Transfer to municipality	13,273
Balance, end of the year	$ 268,614

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

December 31, 2024

1. Summary of Significant Accounting Policies

Management Responsibility

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

Basis of Accounting

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

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Basis of Consolidation

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

Use of Estimates

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

Financial Instrument

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

December 31, 2024

2. Financial Instruments

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