

**The Corporation of the
City of Owen Sound
Financial Information
For the year ended December 31, 2024**

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**The Corporation of the City of Owen Sound
Financial Information
December 31, 2024**

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Consolidated Financial Statements
For the year ended December 31, 2024**

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To the Members of Council of the Corporation of the City of Owen Sound:

Opinion

We have audited the consolidated financial statements of City of Owen Sound (the "City"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Other Matter

The consolidated financial statements for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on December 23, 2024.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the City'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 City or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

Owen Sound, Ontario

Chartered Professional Accountants

TBD, 2025

Licensed Public Accountants

**The Corporation of the City of Owen Sound
Consolidated Statement of Financial Position**

December 31	2024	2023
Financial assets		
Cash (Note 1)	\$ 29,016,897	\$ 26,543,408
Investments (Note 2)	9,827,700	9,827,700
Taxes receivable	3,655,750	2,795,353
Trade and other receivables	9,866,199	5,869,946
Inventory held for resale	1,050	5,175
Loans receivable (Note 3)	75,000	75,000
	<u>52,442,596</u>	<u>45,116,582</u>
Liabilities		
Accounts payable and accrued liabilities	10,241,661	7,789,302
Asset retirement obligation liability (Note 4)	4,149,397	4,310,517
Post-employment benefits (Note 16)	7,735,228	7,310,653
Deferred revenue (Page 29)	12,235,687	12,890,720
Long-term liabilities (Note 6)	30,512,141	32,541,369
	<u>64,874,114</u>	<u>64,842,561</u>
Net debt	<u>(12,431,518)</u>	<u>(19,725,979)</u>
Non-financial assets		
Inventory of supplies	792,300	822,207
Prepaid expenses	424,777	1,683,236
Tangible capital assets (Note 7)	271,797,311	262,012,411
	<u>273,014,388</u>	<u>264,517,854</u>
Accumulated surplus (Note 8)	<u>\$ 260,582,870</u>	<u>\$ 244,791,875</u>

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

**The Corporation of the City of Owen Sound
Consolidated Statement of Operations and Accumulated Surplus**

For the year ended December 31	2024	2024	2023
	Budget (Note 10)	Actual	Actual
Revenue			
Taxation	\$ 35,162,238	\$ 35,396,533	\$ 33,772,275
Fees and user charges	19,020,921	19,536,742	18,323,948
Government transfers (Note 15)	17,365,054	18,449,422	9,163,115
Other income (Note 11)	3,620,403	4,829,151	4,409,297
	<u>75,168,616</u>	<u>78,211,848</u>	<u>65,668,635</u>
Expenses			
General government	5,826,535	6,129,400	5,887,785
Protection services	19,364,528	20,774,169	19,054,728
Transportation services	6,196,655	9,255,202	9,965,266
Environmental services	16,973,149	12,726,796	12,215,028
Health services	349,699	419,911	390,952
Recreation and cultural services	7,143,432	11,849,442	10,843,435
Planning and development	1,147,045	1,265,933	1,116,933
	<u>57,001,043</u>	<u>62,420,853</u>	<u>59,474,127</u>
Annual surplus (Note 10)	18,167,573	15,790,995	6,194,508
Accumulated surplus, beginning of the year	<u>244,791,875</u>	<u>244,791,875</u>	<u>238,597,367</u>
Accumulated surplus, end of the year	<u>\$ 262,959,448</u>	<u>\$ 260,582,870</u>	<u>\$ 244,791,875</u>

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

**The Corporation of the City of Owen Sound
Consolidated Statement of Changes in Net Debt**

For the year ended December 31	2024	2024	2023
	Budget	Actual	Actual
Annual surplus (Page 5)	\$ 18,167,573	\$ 15,790,995	\$ 6,194,508
Acquisition of tangible capital assets	(27,183,641)	(18,646,719)	(8,467,923)
Amortization of tangible capital assets	-	8,368,383	8,182,814
Proceeds on disposal of assets	-	140,919	272,783
Loss on disposal of assets	-	352,517	443,988
	(27,183,641)	(9,784,900)	431,662
Change in prepaid expenses	-	1,258,459	(46,669)
Change in inventories of supplies	-	29,907	47,591
	-	1,288,366	922
(Increase) decrease in net debt	(9,016,068)	7,294,461	6,627,092
Net debt, beginning of the year	(19,725,979)	(19,725,979)	(26,353,071)
Net debt, end of the year	\$ (28,742,047)	\$ (12,431,518)	\$ (19,725,979)

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The Corporation of the City of Owen Sound
Consolidated Statement of Cash Flows

For the year ended December 31

2024

2023

Cash provided by (used in)

Operating activities

Annual surplus	\$ 15,790,995	\$ 6,194,508
Items not involving cash		
Amortization	8,368,383	8,182,814
Post-employment benefits	424,575	299,130
Accretion	99,141	104,915
Loss on disposal of assets	352,517	443,988
Derecognition of asset retirement obligation	(73,693)	
Deferred revenue recognized	(8,518,773)	(2,450,853)
Change in inventory of supplies	29,907	47,591

	16,473,052	12,822,093
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Changes in non-cash working capital balances

Taxes receivable	(860,397)	(554,271)
Trade and other receivables	(3,996,253)	1,124,589
Inventory held for resale	4,125	4,868
Accounts payable and accrued liabilities	2,452,359	31,629
Deferred revenue received	7,863,740	7,468,315
Prepaid expenses	1,258,459	(46,669)

	23,195,085	20,850,554
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Capital transactions

Cash used to acquire capital assets	(18,646,719)	(8,467,923)
Proceeds on sale of capital assets	140,919	272,783
Asset retirement cash outlays	(186,568)	(221,121)

	(18,692,368)	(8,416,261)
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Investing activities

Increase in investments	-	(1,499,510)
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	-	(1,499,510)
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Financing activities

Repayment of long-term liabilities	(2,029,228)	(1,961,207)
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	(2,029,228)	(1,961,207)
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Net change in cash

	2,473,489	8,973,576
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Cash, beginning of the year

	26,543,408	17,569,832
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Cash, end of the year

	\$ 29,016,897	\$ 26,543,408
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The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the City of Owen Sound Summary of Significant Accounting Policies

December 31, 2024

Management Responsibility

The management of the Corporation of the City of Owen Sound has prepared and is responsible for the integrity, objectivity and accuracy of the financial information presented in these consolidated financial statements. The Corporate Services Committee reviews and approves the consolidated financial statements before they are submitted to Council.

Basis of Accounting

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada as prescribed by the Ontario 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 controlled by Council have been consolidated:

Owen Sound and North Grey Union Public Library

Owen Sound River District

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. 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. Estimates are used when accounting for items such as accrued grant receivables, accrued liabilities, useful lives of capital assets, post-employment benefits liability, asset retirement obligation liability and taxes receivable.

The Corporation of the City of Owen Sound Summary of Significant Accounting Policies

December 31, 2024

Revenue Recognition

Revenues are recognized as follows:

- a) Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectible 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 on 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 consolidated statement of operations as the stipulation liabilities are settled.
- f) 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.

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The Corporation of the City of Owen Sound Summary of Significant Accounting Policies

December 31, 2024

Financial Instruments

Cash is measured at fair value. All other financial assets; investments, taxes receivable, trade and other receivables, loans receivable, accounts payable and accrued liabilities and long-term liabilities are measured at amortized cost.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets except derivatives 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.

Inventory

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

Inventory held for consumption is recorded at the lower of cost and replacement cost.

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 useful lives are used:

Land improvements	40 - 75 years
Buildings and structures	15 - 40 years
Vehicles, machinery and equipment	3 - 20 years
Roads and sidewalks	10 - 80 years
Bridges and other structures	40 - 80 years
Water and sewer infrastructure	40 - 90 years

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

The Corporation of the City of Owen Sound Summary of Significant Accounting Policies

December 31, 2024

Intangible Assets

Intangible assets, art and historic treasures are not recognized in these financial statements.

Post-Employment Benefits

The municipality provides post-employment health, dental, 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 II 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 II employer status. The cost of the claims are determined using management's best estimate.

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

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

The Corporation of the City of Owen Sound
Summary of Significant Accounting Policies

December 31, 2024

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

County and School Boards The municipality collects taxation revenue on behalf of the school boards and the County of Grey. The taxation, other revenues, expenditures, 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 financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.

	2024	2023
1. Cash		
Cash and bank	\$ 29,016,897	\$ 26,543,408

Interest is earned at the average monthly prime rate less 1.75%.

The Corporation of the City of Owen Sound
Notes to Financial Statements

December 31, 2024

2. Investments

	2024	2023
Unrestricted	\$ 9,827,700	\$ 9,827,700

Investments include guaranteed investment certificates, government bonds, municipal debentures and commercial paper from chartered banks with effective interest rates of 1.35% to 5.63%. Interest is receivable on a semi-annual basis. Investments have a market value of \$10,021,176 (2023 - \$9,885,816) at the end of the year.

3. Loans Receivable

	2024	2023
Loan, non-interest bearing, due on demand	\$ 75,000	\$ 75,000

4. Asset Retirement Obligation Liability

The City's financial statements include an asset retirement obligation related to remediation required for asbestos present in 22 municipal buildings, along with closure and post-closure costs of the City's closed landfill site. As at year-end, an obligation of \$4,149,397 has been accrued on the balance sheet. This amount was determined based on total undiscounted expenditures of \$5,504,045 present valued at a discount rate of 2.37% as follows:

Buildings with asbestos	26 - 41 years
Landfill	8 years

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

	2024	2023
Asset retirement obligation, opening	\$ 4,310,517	\$ 4,426,723
Accretion expense	99,141	104,915
Cash outlays	(186,568)	(221,121)
Derecognition of asset retirement obligation	(73,693)	-
Asset retirement obligation, closing	\$ 4,149,397	\$ 4,310,517

The Corporation of the City of Owen Sound
Notes to Financial Statements

December 31, 2024

5. Temporary Borrowings

The City of Owen Sound has a demand operating facility with a financial institution at prime less 0.75%. At December 31, 2024, the City had a \$1,000,000 unused credit facility.

6. Long-Term Liabilities

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

	2024	2023
Debentures payable, 1.98% to 4.16%, principal and interest payable semi-annually, due 2031 to 2043	\$ 31,902,687	\$ 34,492,443
Less: Debentures issued internally	(1,390,546)	(1,951,074)
	\$ 30,512,141	\$ 32,541,369

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

2025	\$ 2,099,739
2026	2,172,833
2027	2,248,609
2028	2,327,164
2029	2,408,610
Thereafter	19,255,186
	\$ 30,512,141

Interest paid during the year on external long-term debt was \$1,046,112 (2023 - \$1,114,134).

The Corporation of the City of Owen Sound
Notes to Financial Statements

December 31

7. Tangible Capital Assets

								2024
	Land	Land Improvement	Buildings and Structures	Vehicles, Machinery and Equipment	Roads and Sidewalks	Bridges and Other Structures	Water and Sewer Infrastructure	Total
Cost, beginning of the year	\$ 6,511,096	\$ 11,432,764	\$ 139,137,916	\$ 36,075,937	\$ 104,862,265	\$ 13,533,094	\$ 118,923,413	\$ 430,476,485
Additions	246,400	-	1,944,917	3,028,510	8,021,760	-	5,405,132	18,646,719
Disposals	-	-	-	(942,927)	(648,145)	-	(91,357)	(1,682,429)
Cost, end of the year	6,757,496	11,432,764	141,082,833	38,161,520	112,235,880	13,533,094	124,237,188	447,440,775
Accumulated amortization, beginning of the year	-	7,068,392	40,681,930	18,143,186	43,129,921	3,730,342	55,710,303	168,464,074
Amortization	-	383,529	1,936,213	2,022,219	1,621,146	171,305	2,233,971	8,368,383
Disposals	-	-	-	(792,012)	(336,404)	-	(60,577)	(1,188,993)
Accumulated amortization, end of the year	-	7,451,921	42,618,143	19,373,393	44,414,663	3,901,647	57,883,697	175,643,464
Net carrying amount, end of the year	\$ 6,757,496	\$ 3,980,843	\$ 98,464,690	\$ 18,788,127	\$ 67,821,217	\$ 9,631,447	\$ 66,353,491	\$ 271,797,311

The Corporation of the City of Owen Sound
Notes to Financial Statements

December 31

7. Tangible Capital Assets - (continued)

								2023
	Land	Land Improvement	Buildings and Structures	Vehicles, Machinery and Equipment	Roads and Sidewalks	Bridges and Other Structures	Water and Sewer Infrastructure	Total
Cost, beginning of the year	\$ 6,511,096	\$ 11,452,375	\$ 137,725,410	\$ 36,741,173	\$ 103,401,500	\$ 13,569,740	\$ 115,933,719	\$ 425,335,013
Additions	-	24,173	1,461,138	1,985,600	1,597,803	-	3,399,209	8,467,923
Disposals	-	(43,784)	(48,632)	(2,650,836)	(137,038)	(36,646)	(409,515)	(3,326,451)
Cost, end of the year	6,511,096	11,432,764	139,137,916	36,075,937	104,862,265	13,533,094	118,923,413	430,476,485
Accumulated amortization, beginning of the year	-	6,706,066	39,036,966	18,596,602	41,335,191	3,599,075	53,617,040	162,890,940
Amortization	-	373,626	1,668,896	1,994,154	1,794,730	167,913	2,183,495	8,182,814
Disposals	-	(11,300)	(23,932)	(2,447,570)	-	(36,646)	(90,232)	(2,609,680)
Accumulated amortization, end of the year	-	7,068,392	40,681,930	18,143,186	43,129,921	3,730,342	55,710,303	168,464,074
Net carrying amount, end of the year	\$ 6,511,096	\$ 4,364,372	\$ 98,455,986	\$ 17,932,751	\$ 61,732,344	\$ 9,802,752	\$ 63,213,110	\$ 262,012,411

The Corporation of the City of Owen Sound
Notes to Financial Statements

December 31, 2024

7. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction is \$4,885,710 (2023 - \$2,928,570).

Interest of \$124,183 (2023 - \$Nil) was capitalized to tangible capital assets during the year.

The municipality holds various works of art and historical treasures. 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.

8. Accumulated Surplus

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

	2024	2023
Invested in tangible capital assets		
Tangible capital assets at cost less amortization	\$ 271,797,311	\$262,012,411
Unfinanced capital assets	(11,399,751)	(11,630,432)
Capital assets financed by long-term liabilities and to be funded in future years (Note 6)	(31,902,687)	(34,492,443)
Total invested in capital assets	228,494,873	215,889,536
Unfunded post-employment benefits (Note 16)	(6,785,884)	(6,406,030)
Unfunded asset retirement obligation (Note 4)	(4,149,397)	(4,310,517)
Unexpended interest on deposits	105,563	123,020
Library Adult Learning Centre surplus	94,128	79,232
	217,759,283	205,375,241
Reserves and reserve funds (Note 9)	42,823,587	39,416,634
Accumulated surplus	\$ 260,582,870	\$244,791,875

During the year, the City's operating surplus of \$420,407 was transferred to the tax stabilization reserve, as approved by Council.

The Corporation of the City of Owen Sound
Notes to Financial Statements

December 31, 2024

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

	2024	2023
Reserves		
Working funds	\$ 512,156	\$ 433,864
Tax stabilization	1,117,374	696,967
Insurance contingency	100,000	50,000
Capital purposes	3,096,974	4,257,746
	4,826,504	5,438,577
Reserve funds		
Sick leave	98,476	
Capital purposes	37,898,607	33,978,057
	37,997,083	33,978,057
Total reserves and reserve funds	\$42,823,587	\$ 39,416,634

10. 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 debt for comparative purposes. The 2024 budget amounts for the City of Owen Sound approved by Council have been reclassified to conform to the presentation of the consolidated statements of operations and accumulated surplus and changes in net debt. The following is a reconciliation of the budget approved by Council.

	2024 Budget	2024 Actual	2023 Actual
Annual surplus (Page 5)	\$ 18,167,573	\$ 15,790,995	\$ 6,194,508
Net transfers from (to) reserves	11,030,818	(2,986,546)	(1,916,773)
Capital acquisitions and disposals	(27,181,135)	(18,153,283)	(7,751,152)
Change in capital projects not funded	(12,500)	(230,681)	(1,535,924)
Amortization	-	8,368,383	8,182,814
Proceeds from long-term debt	585,000	-	-
Debt principal repayments	(2,589,756)	(2,589,756)	(2,660,117)
Change in unfunded liabilities	-	218,734	(162,957)
Change in Art Gallery	-	-	(172,206)
Change in other surpluses	-	2,561	29,721
Surplus transfer to reserves	-	420,407	207,914
	-	(420,407)	(207,914)
	\$ -	\$ -	\$ -

The Corporation of the City of Owen Sound
Notes to Financial Statements

December 31, 2024

11. Other Income

	2024	2024	2023
	Budget	Actual	Actual
Penalties and interest on taxation	\$ 350,000	\$ 520,114	\$ 404,129
Other fines and penalties	83,000	81,687	89,026
Investment income	354,000	1,838,160	1,502,198
Licenses and permits	626,900	563,939	423,193
Rents	1,356,329	1,569,120	1,414,347
Donations	406,200	329,617	466,523
Loss on disposal of capital assets	-	(352,517)	(443,988)
Contributions from developers	220,000	86,340	110,000
Contributions from non-consolidated entities	18,000	114,256	94,314
Other and miscellaneous	205,974	4,742	349,555
Derecognition of asset retirement obligation	-	73,693	-
	\$ 3,620,403	\$ 4,829,151	\$ 4,409,297

12. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 373 members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement income to be received by the employees based on length of service and rates of pay. Employees and employers contribute jointly to the plan. The amount contributed to OMERS for 2024 by the City was \$2,385,975 (2023 - \$2,361,981). 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 on December 31, 2024. At that time the plan reported a \$2.9 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 and may lead to increased future funding requirements.

The Corporation of the City of Owen Sound
Notes to Financial Statements

December 31, 2024

13. Owen Sound River District

The following summarizes the financial position and operations of the Owen Sound River District, which is controlled by the municipality. The Owen Sound District has been consolidated into these financial statements.

	2024	2023
Financial assets	\$ 162,769	\$ 156,507
Liabilities	15,725	11,713
Net financial assets	147,044	144,794
Accumulated surplus	\$ 147,044	\$ 144,794
Revenues	\$ 289,910	\$ 285,414
Expenses	272,815	275,093
Annual surplus	\$ 17,095	\$ 10,321

14. Owen Sound & North Grey Union Public Library

The following summarizes the financial position and operations of the Owen Sound & North Grey Union Public Library, which is controlled by the municipality. The Owen Sound & North Grey Union Public Library has been consolidated into these financial statements.

	2024	2023
Financial assets	\$ 1,174,538	\$ 1,225,803
Liabilities	938,845	932,339
Net financial assets	235,693	293,464
Non-financial assets	983,147	998,279
Accumulated surplus	\$ 1,218,840	\$ 1,291,743
Revenues	\$ 2,961,362	\$ 2,875,033
Expenses	3,034,265	2,939,930
Annual deficit	\$ (72,903)	\$ (64,897)

The Corporation of the City of Owen Sound
Notes to Financial Statements

December 31, 2024

15. Government Transfers

	2024	2024	2023
	Budget	Actual	Actual
Operating			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF) \$	2,070,000	\$ 2,070,900	\$ 1,961,600
- Sewer and Water	140,000	-	84,218
- Other	1,908,169	3,511,907	3,570,364
	<u>4,118,169</u>	<u>5,582,807</u>	<u>5,616,182</u>
Government of Canada			
- Roads	400,000	315,800	970,365
- Other	143,000	91,889	187,685
	<u>543,000</u>	<u>407,689</u>	<u>1,158,050</u>
Other municipalities			
- Library	-	790,862	762,102
- Police	203,435	127,335	123,847
- Roads	130,000	138,734	130,465
- Other	-	92,909	20,000
	<u>333,435</u>	<u>1,149,840</u>	<u>1,036,414</u>
Total operating contributions	<u>4,994,604</u>	<u>7,140,336</u>	<u>7,810,646</u>
Capital			
Province of Ontario			
- Recreation facility	-	35,888	10,736
- Roads	8,917,800	7,077,589	(25,032)
- Sewer and water	1,641,900	1,098,461	-
- Other	242,500	1,903,385	72,198
	<u>10,802,200</u>	<u>10,115,323</u>	<u>57,902</u>
Government of Canada			
- Recreation facility	86,250	-	-
- Roads	262,000	-	-
- Sewer and water	1,200,000	1,200,000	-
- Other	-	(11,837)	646,570
	<u>1,548,250</u>	<u>1,188,163</u>	<u>646,570</u>
Other municipalities			
- Roads and other	20,000	5,600	647,997
	<u>20,000</u>	<u>5,600</u>	<u>647,997</u>
Total capital contributions	<u>12,370,450</u>	<u>11,309,086</u>	<u>1,352,469</u>
Total contributions	<u>\$ 17,365,054</u>	<u>\$ 18,449,422</u>	<u>\$ 9,163,115</u>

The Corporation of the City of Owen Sound
Notes to Financial Statements

December 31, 2024

16. Post-Employment Benefits

	2024	2023
Sick leave liability	\$ 3,471	\$ 4,400
Vacation pay liability	1,642,858	1,514,754
Post-employment benefits	6,040,899	5,743,499
WSIB future benefit	48,000	48,000
	\$ 7,735,228	\$ 7,310,653

- a) Sick leave liability includes amounts earned by employees as defined by applicable union contract but not taken during the year. This amount is funded through reserves.
- b) The vacation liability includes vacation earned. The vacation year for an employee begins either on their "start date" anniversary or the date defined by the applicable union contract. The vacation liability includes all carry-forward amounts from the previous vacation year and vacation earned from the vacation start date to December 31, 2024. Of the balance \$949,343 has been funded.
- c) The City pays certain life insurance, health and dental benefits on behalf of its retired employees to the age of 65. The City recognizes these post-employment costs in the period in which the employees rendered the services. An actuarial valuation has been performed as at December 31, 2024 using the assumption of a 4.6% per year borrowing rate and a 4% per year inflation rate. This amount has not been funded. The post-employment benefit shown above is net of unamortized loss of \$136,100 (2023 - \$283,900).

	2024	2023
Current period benefit cost	\$ 300,500	\$ 287,300
Amortization of actuarial loss	147,800	147,800
Interest costs	288,500	280,900
Total expense for the year	\$ 736,800	\$ 716,000

- d) The City became a Schedule I employer under the Workplace Safety Insurance Act effective January 1, 2010. The City was a Schedule II employer for the years 1998 to 2009 and, as such, the municipality self-insured for WSIB benefits.

The municipality is still liable for events which took place while they were a Schedule II employer. An actuarial valuation has been performed using the projected benefit method. The most recent actuarial report was updated as at December 31, 2021. The total benefits not yet awarded and provision for presumptive cancer legislation for firefighters for the period in which the municipality was a Schedule II employer was determined using a 2.9% per year borrowing rate and a 2.5% per year inflation rate. This amount has not been funded.

The Corporation of the City of Owen Sound
Notes to Financial Statements

December 31, 2024

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:

	2024	2023
School boards	\$ 6,037,646	\$ 5,793,456
County of Grey	9,513,765	8,813,878
	\$ 15,551,411	\$ 14,607,334

18. Trust Funds

The trust funds administered by the City have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of financial activities. At December 31, 2024, the trust fund balances are as follows:

	2024	2023
Cemetery Care and Maintenance Funds	\$ 1,559,823	\$ 1,514,477
Art Collection and Gallery Building Trust	138,550	131,629
	\$ 1,698,373	\$ 1,646,106

19. Contractual Commitments

The Corporation of the City of Owen Sound has awarded contract totalling \$3,400,000 related to a Water Meter Replacement Program. At December 31, 2024, the full balance remains to be spent on the contract.

20. Contingencies

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

b) The City of Owen Sound has been named in a claim for \$3,000,000. The City's liability with respect to this claim is not determinable at this time.

The Corporation of the City of Owen Sound
Notes to Financial Statements

December 31, 2024

21. Financial Instruments

Financial Instrument Risk Management

The City is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the City'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 City is exposed to interest rate risk arising from the changes in interest rates on its variable rate bank account, fixed rate investments and long-term receivable.

Credit Risk

The City is exposed to credit risk arising from its cash, taxes receivable, trade and other receivables and long-term receivable. On December 31, 2024, the City holds all of its cash deposits in one 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 receivable. The majority of the City's receivables are from ratepayers and government entities. For receivables, the City measures impairment of each receivable type based on how long the amounts have been outstanding. The amounts outstanding at year end, which is the City's maximum exposure to credit risk related to receivables, were as follows:

	<u>0 - 30 days</u>	<u>31 - 90 days</u>	<u>91 - 365 days</u>	<u>1 to 2 years</u>	<u>3 to 10 years</u>
Cash	\$ 29,016,897	\$ -	\$ -	\$ -	-
Investments	9,827,700	-	-	-	-
Taxes receivable	183,468	843,986	1,578,010	855,237	195,049
Trade and other receivables	5,959,359	1,192,933	1,690,383	882,812	140,712
Long-term receivables	-	-	-	-	75,000
Total	\$ 44,987,424	\$ 2,036,919	\$ 3,268,393	\$ 1,738,049	\$ 410,761

The Corporation of the City of Owen Sound
Notes to Financial Statements

December 31, 2024

21. Financial Instruments - (continued)

Liquidity Risk

Liquidity risk is the risk that the City encounters difficulty in meeting its obligations as they fall due. The City has a planning and budgeting process in place to help determine the funds required to support the City's normal operating requirements on an ongoing basis. The City is exposed to liquidity risk through its accounts payable and accrued liabilities and long-term liabilities. The City 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 City 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	\$ 5,801,493	\$ 2,587,880	1,431,588	\$ 420,700
Long-term debt	-	2,099,739	9,157,216	19,255,186
Total financial liabilities	\$ 5,801,493	\$ 4,687,619	10,588,804	\$ 19,675,886

22. Comparative Amounts

Comparative amounts have been reclassified to conform to current year presentation.

23. Segmented Information

The Corporation of the City of Owen Sound is a diversified municipal government institution that provides a wide range of services to its citizens such as policing, fire protection, clean water and waste water treatment, waste collection and disposal, recreation and cultural services, library and planning. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segment and activities they encompass are as follows:

Administration Services

This item relates to the revenues and expenses that are generated and incurred by the governance operations and are not specifically attributed to a specific segment. This item includes City Council, Clerk and Legal Services, Human Resources, Financial Services and Information Technology.

The Corporation of the City of Owen Sound
Notes to Financial Statements

December 31, 2024

23. Segmented Information - (continued)

Operation Services

This item includes all revenues and expenditures as they related to the City's Operations departments. Included in this item are Transportation Infrastructure, Water and Waste Water Services, Engineering, Transit, Air Transportation and Street Lighting.

Community Services

This service area encompasses revenues and expenses associated with services provided to the community that are meant to improve the health and development of the municipality's citizens. Included in Community Services are the Building and Planning Departments as well as Recreation Programs and Facilities.

Parks and Cemeteries

This service area encompasses revenues and expenses associated with Greenspaces including Parks, Cemeteries and Playgrounds.

Economic Development

The departments included under the item Economic Development are responsible for Tourism, Small Business Support Services and Downtown Revitalization.

Protection Services

This item includes the services in place to ensure the safety and protection of the citizens and their property. Protection is comprised of police services, fire protection, parking and bylaw enforcement, and animal control.

Cultural Services

This item includes the revenues and expenses generated by both the Art Gallery and the Consolidated Library Board.

Taxation, payments-in lieu and penalties and interest as well as the Ontario Municipal Partnership Fund Grant are allocated to each segment based on the funding requirements for total expenses less segment specific revenues. Amortization expenses are not included in determining this allocation.

The Corporation of the City of Owen Sound
Notes to Financial Statements

For the year ended December 31	Administration Services	Operation Services	Community Services	Parks and Cemeteries	Economic Development	Protection Services	Cultural Services	2024 Total
Revenue								
Taxation	\$ 7,787,237	\$ 6,371,377	\$ 1,415,861	\$ 2,123,792	\$ 1,061,896	\$ 15,220,509	\$ 1,415,861	\$ 35,396,533
Fees and user charges	183,311	15,096,397	814,452	235,900	300	2,615,085	591,297	19,536,742
Specific grants	126,394	10,445,004	35,888	-	-	3,828,337	1,942,899	16,378,522
OMPF grant	455,598	372,762	82,836	124,254	62,127	890,487	82,836	2,070,900
Other revenue	2,156,887	277,708	1,339,749	228,161	4,270	631,391	190,985	4,829,151
	10,709,427	32,563,248	3,688,786	2,712,107	1,128,593	23,185,809	4,223,878	78,211,848
Expenses								
Salaries and benefits	2,479,081	6,349,655	1,761,894	1,706,704	821,151	17,468,987	1,600,773	32,188,245
Interest on debt	126,475	843,220	7,729	13,387	-	117,800	-	1,108,611
Materials and supplies	2,349,214	6,278,640	1,370,904	851,775	165,031	2,328,511	712,069	14,056,144
Contracted services	647,147	3,187,873	635,526	34,345	211,471	(135,957)	29,150	4,609,555
Other transfers	68,600	-	-	-	46,594	304,808	1,333,414	1,753,416
Rents and financial expenses	29,174	97,139	32,969	21,955	17,521	28,632	9,968	237,358
Amortization	413,783	5,194,016	1,201,845	548,444	4,164	659,930	346,201	8,368,383
Accretion	-	47,384	-	31,021	-	1,458	19,278	99,141
	6,113,474	21,997,927	5,010,867	3,207,631	1,265,932	20,774,169	4,050,853	62,420,853
Annual surplus (deficit)	\$ 4,595,953	\$10,565,321	\$ (1,322,081)	\$ (495,524)	\$ (137,339)	\$ 2,411,640	\$ 173,025	\$ 15,790,995

The Corporation of the City of Owen Sound
Notes to Financial Statements

For the year ended December 31	Administration Services	Operation Services	Community Services	Parks and Cemeteries	Economic Development	Protection Services	Cultural Services	2023 Total
Revenue								
Taxation	\$ 8,443,069	\$ 4,728,118	\$ 1,013,168	\$ 2,026,337	\$ 1,013,168	\$ 15,197,524	\$ 1,350,891	\$ 33,772,275
Fees and user charges	172,881	14,501,938	805,524	194,951	200	2,452,502	195,952	18,323,948
Specific grants	12,040	2,695,490	30,736	(23,077)	46,053	1,877,382	2,562,891	7,201,515
OMPF grant	490,400	274,624	58,848	117,696	58,848	882,720	78,464	1,961,600
Other revenue	1,461,080	430,102	1,508,536	269,283	5,936	513,452	220,908	4,409,297
	10,579,470	22,630,272	3,416,812	2,585,190	1,124,205	20,923,580	4,409,106	65,668,635
Expenses								
Salaries and benefits	2,567,031	6,390,041	1,598,010	1,488,665	738,690	16,278,377	1,567,382	30,628,196
Interest on debt	134,347	910,126	11,823	14,241	-	130,707	-	1,201,244
Materials and supplies	2,041,127	6,462,954	494,247	833,490	157,950	1,237,119	1,146,151	12,373,038
Contracted services	654,765	3,250,880	447,383	141,461	101,443	513,082	35,969	5,144,983
Other transfers	68,600	-	-	-	90,356	290,967	1,243,376	1,693,299
Rents and financial expenses	25,841	35,276	31,293	6,730	22,329	13,215	10,954	145,638
Amortization	396,074	5,077,859	1,185,944	570,020	6,165	589,803	356,949	8,182,814
Accretion	-	53,158	-	31,021	-	1,458	19,278	104,915
	5,887,785	22,180,294	3,768,700	3,085,628	1,116,933	19,054,728	4,380,059	59,474,127
Annual surplus (deficit)	\$ 4,691,685	\$ 449,978	\$ (351,888)	\$ (500,438)	\$ 7,272	\$ 1,868,852	\$ 29,047	\$ 6,194,508

The Corporation of the City of Owen Sound
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	\$ 1,075,034	\$ 690,028	\$ 63,891	\$ (315,800)	\$1,513,153
Provincial Transit Gas Tax	189,004	-	9,937	-	198,941
Development charges	1,245,080	488,382	65,502	(69,500)	1,729,464
Building development	1	-	15,604	-	15,605
Recreational land	264,886	38,746	12,917	(16,840)	299,709
Parking in lieu	12,000	-	653	-	12,653
	2,786,005	1,217,156	168,504	(402,140)	3,769,525
Other					
Other deferred revenues	3,731,198	3,294,194		(1,055,561)	5,969,831
Ontario Community Infrastructure Fund	6,373,517	2,883,672	300,214	(7,061,072)	2,496,331
	\$12,890,720	\$ 7,395,022	\$ 468,718	\$ (8,518,773)	\$12,235,687

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**The Corporation of the
City of Owen Sound
Trust Funds
Financial Information
For the year ended December 31, 2024**

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**The Corporation of the City of Owen Sound
Trust Funds 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 City of Owen Sound

Opinion

We have audited the accompanying financial information for the Corporation of the City of Owen Sound Trust Funds (Trust Funds), which comprise the balance sheet as at December 31, 2024, the statement of continuity for the year then ended, and notes to the financial information including a summary of significant accounting policies.

In our opinion, the financial information presents fairly, in all material respects, the balance sheet for the Trust Funds as at December 31, 2024 and the statement of continuity for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matter

The financial information for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on December 23, 2024.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Information

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

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

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

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

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario
TBD

MNP LLP

PO Box 397, Third Floor, 1717 2nd Avenue East, Owen Sound ON, N4K 5P7

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The Corporation of the City of Owen Sound
Trust Funds
Balance Sheet

December 31, 2024

	Cemetery Care and Maintenance	Art Collection and Gallery Building Trust	Total 2024	Total 2023
Assets				
Cash	\$ 1,594,549	\$ 138,550	\$1,733,099	\$ 1,677,439
Other				
Due from City of Owen Sound	(34,726)	-	(34,726)	(31,333)
	\$ 1,559,823	\$ 138,550	\$1,698,373	\$ 1,646,106
Fund Balance	\$ 1,559,823	\$ 138,550	\$1,698,373	\$ 1,646,106

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The Corporation of the City of Owen Sound
Trust Funds
Statement of Continuity

For the year ended December 31, 2024

	Cemetery Care and Maintenance	Art Collection and Gallery Building Trust	Total 2024	Total 2023
Balance, beginning of the year	\$ 1,514,477	\$ 131,629	\$1,646,106	\$ 1,594,568
Receipts				
Share of plot sales	45,345	-	45,345	44,992
Interest earned	80,071	6,921	86,992	82,871
	125,416	6,921	132,337	127,863
Expenditures				
Transfer to City of Owen Sound	80,071	-	80,071	76,325
Balance, end of the year	\$ 1,559,822	\$ 138,550	\$1,698,372	\$ 1,646,106

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The Corporation of the City of Owen Sound
Trust Funds
Notes to the Financial Information

December 31, 2024

1. Summary of Significant Accounting Policies

Management Responsibility The management of the Corporation of the City of Owen Sound has prepared and is responsible for the integrity, objectivity and accuracy of this financial information. The Corporate Services Committee reviews and approves the financial information before it is submitted to Council.

Basis of Accounting The financial information has 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 Ontario Ministry of Municipal Affairs and Housing.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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 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 City of Owen Sound.

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

The Corporation of the City of Owen Sound
Trust Funds
Notes to the Financial Information

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 from City of Owen Sound. 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 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 amounts due from the City of Owen Sound. This is mitigated by being receivable from a government entity.

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