The Corporation of the Municipality of French River

Financial Report

December 31, 2023

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Municipality of French River (the "Municipality") are the responsibility of the Municipality's management and have been prepared in accordance with Canadian Public Sector Accounting Standards.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality’s management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management. Council meets with management and the external auditor to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Baker Tilly SNT LLP, independent external auditor appointed by the Municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

Chief Administrative Officer	Treasurer
May 15, 2024	May 15, 2024

Baker Tilly SNT LLP / s.r.l.
1174 St. Jerome
Sudbury, ON, Canada P3A 2V9
T: +1 705.560.5592
F: +1 705.560.8832

www.bakertilly.ca

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Municipality of French River

Opinion

We have audited the consolidated financial statements of The Corporation of the Municipality of French River, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, cash flows and change in net financial assets 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 Corporation of the Municipality of French River as at December 31, 2023, and its results of consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

ACCOUNTING • TAX • ADVISORY

Baker Tilly SNT LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

COMPTABILITÉ • FISCALITÉ • SERVICES-CONSEILS

Baker Tilly SNT s.r.l. est membre de la Coopérative Baker Tilly Canada, qui fait partie du réseau mondial Baker Tilly International Limited. Les membres de la Coopérative Baker Tilly Canada et de Baker Tilly International Limited sont tous des entités juridiques distinctes et indépendantes.

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Independent Auditor's Report (Continued)

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Baker Tilly SNT LLP

Sudbury, Ontario
May 15, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

The Corporation of the Municipality of French River

Consolidated Statement of Financial Position
December 31, 2023

	2023	2022 (Restated note 4)
Financial Assets		
Cash	**$ 3,026,225**	$ 4,039,826
Cash - Heritage Centre	**-**	1,412
Taxes receivable (note 6)	**709,002**	579,736
Accounts receivable - Federal	**452,953**	292,318
- Provincial	**285,558**	43,860
- Other	**416,321**	310,064
Term deposit, fixed interest of 3.00% maturing June 27, 2024	**3,376,526**	3,278,181
Notes receivable (note 7)	**18,153**	24,170
Inventory held for resale	**36,748**	39,789
	8,321,486	8,609,356
Liabilities		
Accounts payable and accrued liabilities	**940,582**	823,151
Other accounts payable - Heritage Centre	**-**	1,412
Other current liabilities	**5,232**	5,612
Deferred revenues (note 8)	**353,245**	569,013
Deferred revenues - Obligatory reserve funds (note 9)	**1,682,184**	1,197,095
Accrued interest	**12,839**	13,477
Municipal debt (note 10)	**2,874,814**	3,009,672
Asset retirement obligations (note 11)	**1,439,893**	1,375,997
	7,308,789	6,995,429
Net Financial Assets	**1,012,697**	1,613,927
Non-Financial Assets		
Tangible capital assets (note 12)	**21,083,041**	19,899,751
Prepaid expenses	**115,261**	252,731
Inventory	**24,734**	22,371
	21,223,036	20,174,853
Accumulated Surplus (note 13)	**$ 22,235,733**	$ 21,788,780

Commitment (note 14)

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

The Corporation of the Municipality of French River

Consolidated Statement of Operations and Accumulated Surplus

For The Year Ended December 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual (Restated note 4)
Revenues			
Net taxation	**$ 5,422,604**	**$ 5,493,582**	$ 5,268,995
Government transfers	**2,481,687**	**2,557,651**	2,226,999
User charges	**1,163,608**	**1,276,292**	1,329,775
Other	**787,888**	**691,528**	621,078
	9,855,787	**10,019,053**	9,446,847
Expenses			
General government	**1,991,899**	**2,123,305**	1,792,922
Protection services	**1,450,740**	**1,515,514**	1,491,540
Transportation services	**2,593,221**	**2,858,729**	2,571,762
Environmental services	**1,402,203**	**1,290,629**	1,280,932
Health services	**957,816**	**972,962**	941,600
Social and family services	**442,975**	**442,975**	436,308
Recreation and cultural services	**963,425**	**833,160**	807,184
Planning and development	**124,175**	**87,650**	109,288
	9,926,454	**10,124,924**	9,431,536
Excess of Revenues Over Expenses (Expenses Over Revenues) before Other	**(70,667)**	**(105,871)**	15,311
Other			
Government transfers related to capital	**777,141**	**552,824**	74,117
Excess of Revenues Over Expenses	**706,474**	**446,953**	89,428
Accumulated Surplus, Beginning of Year, as previously stated	**21,788,780**	**21,788,780**	20,664,009
Adjustments related to adoption of new accounting standards (note 4)	**-**	**-**	1,035,343
Accumulated Surplus, End of Year	**$ 22,495,254**	**$ 22,235,733**	$ 21,788,780

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

The Corporation of the Municipality of French River
Consolidated Statement of Cash Flows
For The Year Ended December 31, 2023

	2023	2022 (Restated note 4)
Net Inflow (Outflow) of Cash Related to the following Activities:		
Operating		
Excess of Revenues Over Expenses	**$ 446,953**	$ 89,428
Non-cash charges to operations:		
Amortization of tangible capital assets	**1,241,819**	1,246,534
Gain on sale of tangible capital assets	**(21,114)**	-
Change in non-cash working capital balances related to operations	**(143,818)**	178,384
Cash provided by operating transactions	**1,523,840**	1,514,346
Capital		
Acquisition of tangible capital assets	**(2,425,109)**	(2,430,007)
Proceeds on disposal of tangible capital assets	**21,114**	-
Cash applied to capital transactions	**(2,403,995)**	(2,430,007)
Financing		
Municipal debt repaid	**(134,858)**	(128,671)
Cash applied to financing transactions	**(134,858)**	(128,671)
Decrease in Cash	**(1,015,013)**	(1,044,332)
Cash, Beginning of Year	**4,041,238**	5,085,570
Cash, End of Year	**$ 3,026,225**	$ 4,041,238
Cash Consists of:		
Cash	**$ 3,026,225**	$ 4,039,826
Cash - Heritage Centre	**-**	1,412
	$ 3,026,225	$ 4,041,238

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

The Corporation of the Municipality of French River
Consolidated Statement of Change in Net Financial Assets
For The Year Ended December 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
Excess of Revenues Over Expenses	**$ 706,474**	**$ 446,953**	$ 89,428
Amortization of tangible capital assets	**1,197,702**	**1,241,819**	1,246,534
Proceeds on disposal of tangible capital assets	**-**	**21,114**	-
Change in inventory and prepaid expenses	**-**	**135,107**	(39,339)
Gain on sale of tangible capital assets	**-**	**(21,114)**	-
Acquisition of tangible capital assets	**(4,792,701)**	**(2,425,109)**	(2,430,007)
Decrease in Net Financial Assets	**(2,888,525)**	**(601,230)**	(1,133,384)
Net Financial Assets, Beginning of Year	**1,613,927**	**1,613,927**	2,747,311
Net Financial Assets, End of Year	**$ (1,274,598)**	**$ 1,012,697**	$ 1,613,927

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

1. Significant Accounting Policies

The consolidated financial statements of the Municipality are the representations of management prepared in accordance with accounting policies recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic consolidated financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement.

(a) Basis of Consolidation

(i) Consolidated Entities

These consolidated financial statements reflect the financial assets, liabilities, non-financial assets, accumulated surplus, revenues and expenses of the Municipality and include the activities of all committees of Council and of The Corporation of the Municipality of French River Public Library Board.

All inter-fund assets and liabilities and revenues and expenses have been eliminated.

(ii) Non-Consolidated Entities

The following joint local boards are not consolidated:

Sudbury and District Health Unit
Manitoulin - Sudbury District Services Board
Sudbury East Planning Board

(iii) Accounting for School Board Transactions

The Municipality is required to collect and remit education support levies in respect of residential and other properties on behalf of the area school boards. The Municipality has no jurisdiction or control over the school boards operations. Therefore, taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the accumulated surplus of these consolidated financial statements.

(iv) Cemetery Care and Maintenance Fund

The Cemetery Care and Maintenance Fund and its related operations administered by the Municipality are not consolidated, but are reported separately on the Cemetery Care and Maintenance Fund Statement of Continuity and Statement of Financial Position.

1. Significant Accounting Policies (Continued)

(b) Basis of Accounting

(i) Accrual Basis

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.

(ii) Cash and Cash Equivalents

The Municipality's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with maturities of three months from the date of acquisition or less or those that can be readily convertible to cash.

(iii) Inventory Held for Resale

Inventory held for resale consisting of surplus land, cemetery plots and columbarium niches, is recorded at the lower of cost and net realizable value.

(iv) Reserves

Certain amounts, as approved by municipal council, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective fund when approved.

(v) Deferred Revenues

Deferred revenues represent government transfers, contributions and other amounts that are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.

(vi) Deferred Revenue - Obligatory Reserve Funds

The Municipality receives certain government grants, transfers, sub-divider contributions and other revenues under the authority of legislation. These funds, by their nature, are restricted in their use and, until applied to specific expenses, are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

1. **Significant Accounting Policies** (Continued)

(b) Basis of Accounting (Continued)

(vii) Employee Future Benefits

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS) which is a multi-employer contributory defined benefit program with contributions expensed as incurred.

(viii) Asset Retirement Obligations

Asset retirement obligations represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the consolidated financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the Municipality to incur costs in relation to a specific tangible capital asset, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the Municipality derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the consolidated statement of operations and accumulated surplus.

1. Significant Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

(ix) Segmented Information

The Municipality reports its segmented information on functional areas and programs in its consolidated financial statements similar to reporting reflected as part of the Ontario Financial Information Return. These functional areas represent segments for the Municipality:

General Government

General government is comprised of Council, administration, and Ontario Property Assessment.

Protection Services

Protection is comprised of police, fire and other protective services.

Transportation Services

Transportation services are responsible for road maintenance, culverts, bridges, winter control, traffic, signs signals and streetlights.

Environmental Services

Environmental services include water supply and distribution, wastewater treatment, waste and recycling services.

Health Services

Health services include public health services and cemetery services.

Social and Family Services

Social and family services include social assistance, long-term care, paramedic services, social housing and child care services.

Recreation and Cultural Services

Recreation and cultural services include parks and recreation, recreation facilities, culture and libraries.

Planning and Development

Planning and development manages development for residential and business interests as well as services related to the Municipality’s economic development programs.

1. Significant Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

(x) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Consolidated Change in Net Financial Assets for the year.

(a) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Roads	10, 20 and 40 years
Bridges	20 years
Streetlights	20 years
Vehicles	7 and 20 years
Equipment	3, 5, 10 and 20 years
Parks and wharfs	20 years
Storm sewers	40 years
Sanitary sewers	40 years
Landfill	40 years
Parking lot	20 years

Assets under construction are not amortized until the asset is available for productive use.

Buildings include water filtration systems amortized over a period of 10 years.

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

(b) Inventory

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost, which represents the best available measure of net realizable value.

1. **Significant Accounting Policies** (Continued)

(b) Basis of Accounting (Continued)

(xi) Taxation and Other Revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC") and in accordance with the provisions of the Municipal Act, 2001. Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes.

A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued.

Assessment and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known or based on management's best estimates.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

User charges are recognized in the period in which the revenue relates.

Other income is recognized as revenue when earned. Fines and fees are recognized as revenue when collected.

(xii) Government Transfers

Government transfers are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that stipulations associated with the transfer give rise to a liability. If a liability is created, the satisfaction of the transfer stipulations by the recipient government determines the timing of the recognition of the transfer as revenue.

(xiii) Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates are based on management's best knowledge of current events and actions that the Municipality may undertake in the future.

1. Significant Accounting Policies (Continued)

(c) Financial instruments

Financial instruments are classified at either fair value or amortized cost.

Financial instruments classified at amortized cost include cash and cash equivalents, taxes receivable, accounts receivable, term deposit, notes receivable, accounts payable and accrued liabilities, other current liabilities, accrued interest and municipal debt. They are initially recorded at their fair value and subsequently carried at amortized cost using the effective interest rate method, less impairment. Transaction costs are added to the carrying value of the instrument.

2. Future Accounting Pronouncements

These standards and amendments were not effective in the year ended December 31, 2023, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

Section PS 3400 - Revenue, establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. This section applies to fiscal years beginning on or after April 1, 2023. Early adoption is permitted.

Guideline PSG-8 - Purchased Intangibles, provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act. This guideline applies to fiscal years beginning on or after April 1, 2023. Early adoption is permitted.

Section PS 3160 - Public Private Partnerships (P3s), provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. This section applies to fiscal years beginning on or after April 1, 2023. Early adoption is permitted.

3. Change in Accounting Policies

On January 1, 2023, the Municipality adopted the following standards on a prospective basis:

PS 1201 *Financial Statement Presentation,* PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS 3450 *Financial Instruments*. The adoption of these standards had no impact on the opening balances.

3. Change in Accounting Policies (Continued)

PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. The standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the statement of remeasurement gains and losses separate from the statement of operations.

PS 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported at fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new statement of remeasurement gains and losses.

PS 3041 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* no longer applies.

PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the statement of remeasurement gains and losses.

4. Adoption of New Accounting Standards

On January 1, 2023, the Municipality adopted PS 3280 *Asset Retirement Obligations* (ARO) on a modified retroactive basis.

PS 3280 *Asset Retirement Obligations* (ARO) establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.

In the past, the Municipality reported its obligations relating to the retirement of its landfill including closure and post-closure activities provided for over the estimated remaining life of the landfill site based on usage.

The Municipality reported its obligations relating to the retirement of other tangible capital assets in the period in which the asset was retired directly as an expense.

4. Adoption of New Accounting Standards (Continued)

The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded and replaces Section PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability*.

As a result of the application of this accounting standard, an asset retirement obligation of $1,375,997 has been recognized as a liability in the consolidated statement of financial position. These obligations represent the estimated costs of retiring assets owned by the Municipality.

The adoption of *PS 3280 Asset Retirement Obligations* (ARO) has been applied to the comparative period as follows:

		2022	
	As previously stated	Adjustments	Restated
Statement of Financial Position			
Asset retirement obligations	$ -	$ 1,375,997	$ 1,375,997
Landfill closure and post-closure	1,210,377	(1,210,377)	-
Tangible capital assets	18,811,455	1,088,296	19,899,751
Accumulated surplus	20,866,104	922,676	21,788,780
Statement of Operations and Accumulated Surplus			
Environmental services	1,168,265	112,667	1,280,932
Adjustments related to adoption of new accounting standards	-	1,035,343	1,035,343
Accumulated surplus, end of year	20,866,104	922,676	21,788,780
Statement of Cash Flows			
Annual surplus	202,095	(112,667)	89,428
Amortization of tangible capital assets	1,162,484	84,050	1,246,534
Decrease in landfill closure and post-closure	32,261	(32,261)	-
Increase in asset retirement obligations	-	60,878	60,878

The Corporation of the Municipality of French River

Notes to the Consolidated Financial Statements
December 31, 2023

4. Adoption of New Accounting Standards (Continued)

	2022		
	As previously stated	**Adjustments**	**Restated**
Statement of Change in Net Financial Assets			
Annual surplus	$ 202,095	$ (112,667)	$ 89,428
Amortization of tangible capital assets	1,162,484	84,050	1,246,534
Adjustments related to adoption of new accounting standards	-	1,035,343	1,035,343
Net financial assets, end of year	1,779,547	(165,620)	1,613,927
Note 12 - Tangible Capital Assets			
Landfill (net book value)	1,858,434	1,064,370	2,922,804
Water and sewer (net book value)	536,433	23,924	560,357
Tangible capital assets (net book value)	18,811,455	1,088,296	19,899,751
Note 13 - Accumulated Surplus			
Invested in tangible capital assets	18,811,455	1,088,296	19,899,751
Asset retirement obligations	-	(1,375,997)	(1,375,997)
Landfill closure and post-closure liability	(1,210,377)	1,210,377	-
Accumulated surplus	20,866,104	922,676	21,788,780
Note 21 - Segmented Information			
Materials, contracted services, rents and financial expenses	5,178,045	28,617	5,206,662
Amortization of tangible capital assets	1,162,484	84,050	1,246,534

5. Measurement Uncertainty

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Municipality's best information and judgment.

- The amounts recorded for landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs.
- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.
- The amount recorded for the allowance for doubtful taxes receivable are based on estimates of recoverability for taxes in arrears.

The Corporation of the Municipality of French River
Notes to the Consolidated Financial Statements
December 31, 2023

5. Measurement Uncertainty (Continued)

By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

6. Taxes Receivable

	2023	2022
Current taxes	**$ 432,942**	$ 351,095
Tax arrears	**156,097**	147,510
Payments in lieu	**59,148**	30,080
Interest and penalties	**60,815**	51,051
	$ 709,002	$ 579,736

7. Notes Receivable

Notes receivable consist of term loans for garbage bins, Prevost Road local improvement charges and French River Rapids loan per agreements passed by Council. These notes bear interest at rates of 0% to 6.75% and are amortized over a period of 5 to 10 years.

The principal instalments required over the next five years are as follows:

2024	$ 6,052
2025	6,088
2026	1,124
2027	1,162
2028	1,201
Thereafter	2,526
	$ 18,153

8. Deferred Revenues

	Balance as at December 31, 2022	**Amounts received during the year**	**Recognized as revenues during the year**	**Balance as at December 31, 2023**
Ministry of Municipal Affairs and Housing - Modernization	$ 433,778	**$ -**	**$ 194,781**	**$ 238,997**
Other	135,235	**76,757**	**97,744**	**114,248**
Total Deferred Revenues - Other	$ 569,013	**$ 76,757**	**$ 292,525**	**$ 353,245**

9. Deferred Revenues - Obligatory Reserve Funds

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balance in the obligatory reserve funds of the Municipality are summarized below:

	Balance as at December 31, 2022	**Amounts received during the year**	**Recognized as revenues during the year**	**Balance as at December 31, 2023**
Parkland	$ 100,504	**$ 31,077**	**$ 4,933**	**$ 126,648**
Safe Restart	265,114	**-**	**30,000**	**235,114**
Covid Recovery for Municipalities	78,535	**-**	**-**	**78,535**
Canada Gas Tax Funding	336,573	**195,860**	**-**	**532,433**
Ontario Community Infrastructure Fund	129,351	**158,717**	**-**	**288,068**
Northern Ontario Resource Development Support Fund	287,018	**134,368**	**-**	**421,386**
Total Deferred Revenues - Obligatory Reserve Funds	$ 1,197,095	**$ 520,022**	**$ 34,933**	**$ 1,682,184**

10. Municipal Debt

	2023	2022
Debenture, payable in bi-annual instalments of $24,876 including interest at a rate of 3.68%, final instalment due May 3, 2032	**$ 360,332**	$ 395,842
Debenture, payable in bi-annual instalments of $116,220 including interest at a rate of 5.14%, final instalment due December 1, 2039	**2,514,482**	2,613,830
	$ 2,874,814	$ 3,009,672

10. Municipal Debt (Continued)

Principal instalments required to be paid over the next five years are as follows:

2024	$ 141,349
2025	148,158
2026	155,302
2027	162,796
2028	170,658
Thereafter	2,096,551
	$ 2,874,814

11. Asset Retirement Obligations

The Municipality has recorded an asset retirement obligation as of the January 1, 2023 implementation date on a prospective basis. At December 31, 2023, all liabilities for asset retirement obligations are reported at current cost without discounting.

A reconciliation of the beginning and ending aggregate carrying amount of the liability is below:

	2023	2022
Balance, beginning of year	**$ 1,375,997**	$ -
Opening balance adjustment	**-**	1,315,119
Accretion expense	**63,896**	60,878
Balance, end of year	**$ 1,439,893**	$ 1,375,997

The asset retirement obligation at year-end is as follows:

	2023	2022
Landfill	**$ 1,352,893**	$ 1,288,997
Drinking water well	**87,000**	87,000
Balance, end of year	**$ 1,439,893**	$ 1,375,997

Landfill

Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. The main components of the landfill closure plan will involve covering the site with topsoil and vegetation, drainage control, and installing groundwater monitoring wells. Post-closure costs include regular inspection of the cover layer and annual groundwater and surface water monitoring.

11. Asset Retirement Obligations (Continued)

Landfill (Continued)

The reported liability is based on estimates and assumptions with respect to events extending over the estimated remaining useful life using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The Municipality's environmental engineers, in their document to council dated April 2024, have planned a capacity expansion at the Noëlville landfill site. This expansion, through approval of phase two and three, has the potential to allow for an additional 32 years of landfilling capacity, with an estimated closure date of 2068.

	Estimated Remaining Capacity	Estimated Remaining Life	Post-Closure Care Activities	Inflation Rate	Discount Rate
2023					
French River	**23.2% (49,505 m^3)**	**13 years**	**25 years**	**3.58%**	**4.96%**
2022					
French River	24.9% (53,313 m^3)	14 years	25 years	3.58%	4.96%

Drinking water wells

The Municipality owns drinking water wells which represents an environmental hazard upon removal and decommissioning and there are legal obligations regarding how they must be removed. The timing of post-closure care cannot yet be reasonably estimated, so no discounting has been applied to the liability.

12. Tangible Capital Assets

	Cost				Accumulated amortization				Net Book Value of Tangible Capital Assets	
	Balance, beginning of year (Restated note 4)	Additions	Disposals	Balance, end of year	Balance, beginning of year (Restated note 4)	Amortization	Disposals	Balance, end of year	December 31, 2023	December 31, 2022 (Restated note 4)
Land	$ 617,032	$ -	$ -	$ 617,032	$ -	$ -	$ -	$ -	**$ 617,032**	$ 617,032
Buildings	8,559,035	803,623	-	9,362,658	3,394,703	209,441	-	3,604,144	**5,758,514**	5,164,332
Roads	18,358,798	652,559	-	19,011,357	11,136,755	427,021	-	11,563,776	**7,447,581**	7,222,043
Bridges	744,180	-	-	744,180	650,658	19,023	-	669,681	**74,499**	93,522
Streetlights	332,865	7,688	-	340,553	215,469	12,046	-	227,515	**113,038**	117,396
Vehicles	2,391,681	529,619	-	2,921,300	1,567,214	114,802	-	1,682,016	**1,239,284**	824,467
Equipment	4,168,915	271,588	(171,098)	4,269,405	2,267,061	238,247	(171,098)	2,334,210	**1,935,195**	1,901,854
Parks and wharfs	588,448	160,032	-	748,480	299,128	30,557	-	329,685	**418,795**	289,320
Water and sewer	2,730,030	-	-	2,730,030	2,169,673	30,661	-	2,200,334	**529,696**	560,357
Landfill	3,648,182	-	-	3,648,182	725,378	143,673	-	869,051	**2,779,131**	2,922,804
Parking Lot	326,966	-	-	326,966	140,342	16,348	-	156,690	**170,276**	186,624
	$ 42,466,132	$ 2,425,109	$ (171,098)	$ 44,720,143	$ 22,566,381	$ 1,241,819	$ (171,098)	$ 23,637,102	**$ 21,083,041**	$ 19,899,751

13. Accumulated Surplus

	2023	2022 (Restated note 4)
Surplus		
Invested in tangible capital assets	**$ 21,083,041**	$ 19,899,751
French River Public Library Board	**127,984**	118,366
General surplus	**247,641**	522,498
Unfunded		
Municipal debt	**(2,874,814)**	(3,009,672)
Asset retirement obligations	**(1,439,893)**	(1,375,997)
	17,143,959	16,154,946
Reserves set aside for specific purposes		
Operating	**584,581**	827,181
Library	**122,663**	122,663
Buildings	**643,309**	660,735
Equipment	**453,379**	388,579
Landfill- site closure	**520,197**	401,484
Roads	**1,160,629**	1,340,273
Bridges	**232,898**	205,824
Sanitary sewers	**636,515**	599,955
Storm sewers	**231,175**	208,489
Parks and wharfs	**73,837**	75,704
Vehicles	**256,616**	653,648
Streetlights	**38,447**	32,782
Parking lot	**137,528**	116,517
Total Reserves	**5,091,774**	5,633,834
	$ 22,235,733	$ 21,788,780

14. Commitment

The Municipality has entered into an agreement committing to pay $922,000 plus HST for the renovations to the Community Centre. As at December 31, 2023, the value of payments remaining is $254,300 plus HST.

Under the terms of an operating lease for contractual services related to water and waste water facilities expiring in December 2025, the Municipality is committed to make minimum payments as follows:

2024	$ 58,000
2025	58,800
	$ 116,800

15. Pension Agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer pension plan, on behalf of all permanent, full-time and qualifying part-time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to more than 612,533 active and retired members and approximately 1,047 employers.

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the "Plan") by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. On December 31, 2023, the estimated accrued pension obligation for all members of the Plan was $134,574 million (2022 - $128,789 million). The Plan had an actuarial value of net assets at that date of $130,372 million (2022 - $122,111 million) indicating an actuarial deficit of $4,202 million (2022 - $6,678 million). Because OMERS is a multi-employer plan, 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 amount contributed to OMERS in 2023 was $190,191 (2022 - $176,012) for current services and is included as an expense on the Consolidated Statement of Operations and Accumulated Surplus.

On January 1, 2023, the yearly maximum pension earnings increased to $66,600 from $64,900 in 2022. The contributions are calculated at a rate of 9.0% (2022 - 9.0%) for the amount up to the yearly maximum pension earnings stated above and at a rate of 14.6% (2022 - 14.6%) for the amount above the yearly maximum pension earnings.

16. Cemetery Care and Maintenance Fund

The Cemetery Care and Maintenance Fund administered by the Municipality amounting to $162,327 (2022 - $156,916) has not been included in the Consolidated Statement of Financial Position nor has its operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

17. Financial Instruments

Risks arising from financial instruments and risk management.

The Municipality is exposed to a variety of financial risks including credit risk, liquidity risk and market risk.

There have been no changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

17. Financial Instruments (Continued)

Credit risk

Credit risk is the risk of losses resulting from a counterparty's failure to honour its contractual obligations. The Municipality is exposed to credit risk to the extent that taxes receivable, accounts receivable and notes receivable are not collected in a timely manner. The Municipality's financial assets consisting of cash and cash equivalents, term deposit, taxes receivable, accounts receivable and notes receivable are subject to credit risk. The carrying amounts of financial assets on the consolidated statement of financial position represent the maximum credit risk of the Municipality at the date of the consolidated statement of financial position. The Municipality does not believe it is subject to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Municipality will not be able to meet its financial obligations as they become due. The Municipality's financial liabilities include accounts payable and accrued liabilities, other current liabilities, accrued interest and municipal debt. The Municipality maintains sufficient resources to meet its obligations. The Municipality does not believe it is subject to significant liquidity risk.

Market risk

Market risk is the risk of changes in the fair value of financial instruments resulting from fluctuations in the market. The Municipality is exposed to currency risk, interest risk and price risk to the extent that the fair value of a financial instrument will fluctuate as a result of market factors. The Municipality's financial instruments consisting of cash and cash equivalents, term deposit, taxes receivable, accounts receivable, notes receivable, accounts payable and accrued liabilities, other current liabilities accrued interest and municipal debt are subject to market risk. The Municipality does not believe it is subject to significant market risk.

18. Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by Council. The budget approved by Council is developed in accordance with the provincially mandated funding model for municipalities and is used to manage program spending within the guidelines of the funding model. The budget figures are unaudited.

19. Comparative Figures

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.

20. Subsequent Events

In January 2024, the Municipality signed an agreement with Descon Contruction Ltd. for the construction of a seniors complex. Under the agreement, the total cost of the contract is estimated to be $9,801,350 plus HST, subject to adjustments.

21. Segmented Information

	General Government	Protection services	Transportation services	Environmental services	Health services	Social and family services	Recreation and culture services	Planning and development	Other	2023 Total
Revenues										
Net taxation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,493,582	$ 5,493,582
Government transfers										
Federal	-	-	2,170	-	-	-	312,403	-	-	314,573
Provincial	51,000	77,753	9,804	280,014	-	-	264,563	-	2,057,600	2,740,734
Other	47,565	6,537	-	-	-	-	1,066	-	-	55,168
	98,565	84,290	11,974	280,014	-	-	578,032	-	2,057,600	3,110,475
User charges	29,863	871,595	41,259	224,333	24,841	-	84,401	-	-	1,276,292
Other	551,065	5,852	-	-	-	-	45,802	-	88,809	691,528
	679,493	961,737	53,233	504,347	24,841	-	708,235	-	7,639,991	10,571,877
Expenses										
Salaries, wages and benefits	902,807	372,209	921,532	375,450	12,964	-	431,676	-	-	3,016,638
Long-term debt charges (interest)	132,452	-	-	14,243	-	-	-	-	-	146,695
Materials, contracted services, rents and financial expenses	916,739	1,014,049	1,359,389	618,534	959,553	442,975	320,883	87,650	-	5,719,772
Amortization	171,307	129,256	577,808	282,402	445	-	80,601	-	-	1,241,819
	2,123,305	1,515,514	2,858,729	1,290,629	972,962	442,975	833,160	87,650	-	10,124,924
Excess of Revenues Over Expenses (Expenses Over Revenues)	$ (1,443,812)	$ (553,777)	$ (2,805,496)	$ (786,282)	$ (948,121)	$ (442,975)	$ (124,925)	$ (87,650)	$ 7,639,991	$ 446,953

21. Segmented Information (Continued)

	General Government	Protection services	Transportation services	Environmental services	Health services	Social and family services	Recreation and culture services	Planning and development	Other	2022 Total
Revenues										
Net taxation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,268,995	$ 5,268,995
Government transfers										
Federal	11,700	-	2,100	2,100	-	-	57,725	-	-	73,625
Provincial	12,198	70,253	-	138,501	-	-	45,002	-	1,927,000	2,192,954
Other	28,549	4,922	-	-	-	-	1,066	-	-	34,537
	52,447	75,175	2,100	140,601	-	-	103,793	-	1,927,000	2,301,116
User charges	28,613	929,355	51,992	204,804	34,184	-	57,436	23,391	-	1,329,775
Other	505,491	10,320	-	-	-	-	31,428	-	73,839	621,078
	586,551	1,014,850	54,092	345,405	34,184	-	192,657	23,391	7,269,834	9,520,964
Expenses										
Salaries, wages and benefits	841,672	356,715	820,968	388,876	13,031	-	378,332	25,833	-	2,825,427
Long-term debt charges (interest)	137,398	-	-	15,515	-	-	-	-	-	152,913
Materials, contracted services, rents and financial expenses	641,178	1,014,384	1,196,929	549,961	928,124	436,308	356,323	83,455	-	5,206,662
Amortization	172,674	120,441	553,865	326,580	445	-	72,529	-	-	1,246,534
	1,792,922	1,491,540	2,571,762	1,280,932	941,600	436,308	807,184	109,288	-	9,431,536
Excess of Revenues Over Expenses (Expenses Over Revenues)	$ (1,206,371)	$ (476,690)	$ (2,517,670)	$ (935,527)	$ (907,416)	$ (436,308)	$ (614,527)	$ (85,897)	$ 7,269,834	$ 89,428

Baker Tilly SNT LLP / s.r.l.
1174 St. Jerome
Sudbury, ON, Canada P3A 2V9
T: +1 705.560.5592
F: +1 705.560.8832

www.bakertilly.ca

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Municipality of French River

Opinion

We have audited the financial statements of the Cemetery Care and Maintenance Fund of The Corporation of the Municipality of French River, which comprise the statement of financial position as at December 31, 2023, and the statement of continuity for the year then ended, and note 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 Cemetery Care and Maintenance Fund of The Corporation of the Municipality of French River as at December 31, 2023, and the continuity of the Cemetery Care and Maintenance Fund 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 these 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.

ACCOUNTING • TAX • ADVISORY

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Independent Auditor's Report (Continued)

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

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.

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.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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.

Baker Tilly SNT LLP

Sudbury, Ontario
May 15, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

The Corporation of the Municipality of French River

Cemetery Care and Maintenance Fund - Statement of Continuity
For The Year Ended December 31, 2023

	2023	2022
Balance, beginning of year	**$ 156,916**	$ 150,284
Investment income	**2,395**	2,130
Sale of plots and marker installations	**5,411**	6,632
	164,722	159,046
Expenses	**2,395**	2,130
Balance, end of year	**$ 162,327**	$ 156,916

The accompanying note is an integral part of these financial statements.

The Corporation of the Municipality of French River
Cemetery Care and Maintenance Fund - Statement of Financial Position
December 31, 2023

	2023	2022
Financial Assets		
Cash and term deposits	**$ 162,327**	$ 156,916
Liabilities	**-**	-
Net Financial Assets	**162,327**	156,916
Non-Financial Assets	**-**	**-**
Accumulated Surplus	**$ 162,327**	$ 156,916

The accompanying note is an integral part of these financial statements.

The Corporation of the Municipality of French River
Cemetery Care and Maintenance Fund - Note to the Financial Statements
December 31, 2023

1. Significant Accounting Policies

Basis of Accounting

Capital receipts and income are reported on the cash basis of accounting.

Expenses are reported on the cash basis of accounting with the exception of administrative expenses and capital expenses which are reported on the accrual basis of accounting, which recognizes expenses as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.