
THE CORPORATION OF THE TOWNSHIP OF STRONG TRUST FUNDS

FINANCIAL STATEMENTS

DECEMBER 31, 2023

THE CORPORATION OF THE TOWNSHIP OF STRONG TRUST FUNDS
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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of Strong

Opinion

We have audited the financial statements of The Corporation of the Township of Strong Trust Funds ("the Trust Funds"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Strong Trust Funds as at December 31, 2023, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial 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 Trust Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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 Trust Funds 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

North Bay, Canada
August 20, 2024

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF STRONG TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Strong Cemetery Care and Maintenance	Berriedale Cemetery Care and Maintenance	Pevensey Cemetery Care and Maintenance	Total 2023	Total 2022
Financial Assets					
Cash and cash equivalents	\$ 20	\$ 7,515	\$ 13,183	\$ 20,718	\$ 38,057
Investments (Note 3)	162,352	-	-	162,352	158,547
Accounts receivable	13,616	-	-	13,616	-
Total Financial Assets	175,988	7,515	13,183	196,686	196,604
Liabilities					
Accounts payable and accrued liabilities	-	355	136	491	3,554
Net Financial Assets and Accumulated Surplus					
	\$ 175,988	\$ 7,160	\$ 13,047	\$ 196,195	\$ 193,050

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF STRONG TRUST FUNDS
STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Strong Cemetery Care and Maintenance	Berriedale Cemetery Care and Maintenance	Pevensey Cemetery Care and Maintenance	Total 2023	Total 2022
Revenue					
Capital receipts	\$ 2,655	\$ -	\$ 490	\$ 3,145	\$ 4,055
Expenses					
Distribution of capital receipts	-	-	-	-	4,824
Annual surplus (deficit)	2,655	-	490	3,145	(769)
Accumulated surplus, beginning of year	173,333	7,160	12,557	193,050	193,819
Accumulated surplus, end of year	\$ 175,988	\$ 7,160	\$ 13,047	\$ 196,195	\$ 193,050

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF STRONG TRUST FUNDS
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
Annual surplus (deficit)	\$ 3,145	\$ (769)
Increase (decrease) in net financial assets	3,145	(769)
Net financial assets, beginning of year	193,050	193,819
Net financial assets, end of year	\$ 196,195	\$ 193,050

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF STRONG TRUST FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
Operating transactions		
Annual surplus (deficit)	\$ 3,145	\$ (769)
Changes in non-cash items:		
Accounts receivable	(13,616)	170,583
Accounts payable and accrued liabilities	(3,063)	3,552
Cash provided by (applied to) operating transactions	(13,534)	173,366
Investing transactions		
Change in investments	(3,805)	(158,547)
Cash applied to investing transactions	(3,805)	(158,547)
Net change in cash and cash equivalents	(17,339)	14,819
Cash and cash equivalents, beginning of year	38,057	23,238
Cash and cash equivalents, end of year	\$ 20,718	\$ 38,057

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF STRONG TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

MANAGEMENT RESPONSIBILITY

The financial statements of the trust funds of the Corporation of the Township of Strong (the "Township") are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 1. The preparation of 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.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

Significant aspects of the accounting policies adopted by the Township are as follows:

- (i) Reporting Entity
The financial statements reflect the assets, liabilities, revenue and expenses of the Township's trust funds. The Township's assets, liabilities, revenue and expenses are reported separately in the Township's consolidated financial statements.
- (ii) Basis of accounting
Sources of financing and expenses are reported on the accrual basis of accounting. Revenue is recognized in the year in which it is earned 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.
- (iii) Cash and cash equivalents
Cash and cash equivalents include balances held at financial institutions, balance held by the Public Guardian and Trustee and demand deposits.
- (iv) Investments
Investments are recorded at cost plus accrued interest.
- (v) Use of Estimates
The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.
- (vi) Revenue Recognition
Capital receipts are recognized when received.

THE CORPORATION OF THE TOWNSHIP OF STRONG TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(vii) Financial instruments

Financial instruments are classified as either fair value, amortized cost or cost.

Financial instruments classified as fair value are initially recognized at cost and subsequently carried at fair value. Financing fees and transaction costs on financial instruments measured at fair value are expensed as incurred. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses. Once realized, remeasurement gains and losses are transferred to the Statement of Operations. A Statement of Remeasurement Gains and Losses has not been included as there are no matters to report therein.

Financial instruments classified as amortized cost are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. The effective interest rate method allocates interest income or interest expense over the relevant period, based on the effective interest rate. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement, provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the Statement of Operations.

Financial liabilities (or part of a financial liability) are removed from the Statement of Financial Position when, and only when, they are discharged, cancelled or expire.

The Township's financial instruments are measured according to the following methods:

<u>Financial instrument</u>	<u>Measurement method</u>
Cash and cash equivalents	Amortized cost
Investments	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

THE CORPORATION OF THE TOWNSHIP OF STRONG TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. CHANGE IN ACCOUNTING POLICIES - ADOPTION OF NEW ACCOUNTING STANDARDS

On January 1, 2023 the Township adopted the following standards on a prospective basis: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments*, PS 3450 *Financial Instruments* and PS 3280 *Asset Retirement Obligations (ARO)*. The adoption of these standards had no impact on the opening balances.

PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This 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. Requirements in PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS 3450 *Financial Instruments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. This standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as 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*. This 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. This 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.

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. No asset retirement obligations have been identified by the Township.

THE CORPORATION OF THE TOWNSHIP OF STRONG TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. INVESTMENTS

Investments are comprised of guaranteed investment certificates, bearing interest at 2.40% and maturing January 18, 2027.

4. FINANCIAL INSTRUMENTSRisks arising from financial instruments and risk management

The Township is exposed to various risks through its financial instruments. There have been no changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Credit risk

Credit risk is the risk of financial loss to the Township if a debtor fails to honour its contractual obligations. The Township is exposed to this risk as a result of its cash and cash equivalents, investments and accounts receivable. The carrying amounts of these financial assets on the Statement of Financial Position represent the maximum credit risk of the Township as at the reporting date. The Township does not believe it is subject to significant credit risk.

Accounts receivable are all current and expected to be collected within the next six months.

Liquidity risk

Liquidity risk is the risk that the Township will not be able to meet its financial obligations as they become due. The Township is exposed to this risk with respect to its accounts payable and accrued liabilities, which are all expected to be paid within the next 6 months. The Township maintains sufficient cash balances to meet its obligations, and does not believe it is subject to significant liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk. The Township is not exposed to currency or equity risk as it does not transact in foreign currency or hold equity financial instruments. It is primarily exposed to interest rate risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Township is exposed to interest rate risk on its interest-bearing investments.

5. CARE AND MAINTENANCE FUND

The care and maintenance fund administered by the Township is funded by the sale of cemetery interment rights and markers. These funds are invested and earnings derived therefrom are used to perform maintenance at the Township's cemeteries. The operations and investments of the fund are undertaken by the Township in accordance with the regulations of the Funeral, Burial and Cremation Services Act, 2002.