

Financial Statements of

**THE CORPORATION OF THE
TOWN OF OAKVILLE
TRUST FUNDS**

And Independent Auditor's Report thereon

Year ended December 31, 2024

DRAFT

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of Oakville

Opinion

We have audited the accompanying financial statements of The Corporation of the Town of Oakville Trust Funds (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and accumulated surplus and net financial assets for the year then ended
- and notes, including a summary of significant accounting policies and other explanatory information.

(Hereinafter referred to as the “financial statements”)

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations 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 auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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.
- 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

Oakville, Canada

May 26, 2025

THE CORPORATION OF THE TOWN OF OAKVILLE

TRUST FUNDS

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial assets		
Cash	\$ 3,879,392	\$ 3,769,416
Investments	3,216,842	3,223,348
Accounts receivable	84,156	25,662
	<u>7,180,390</u>	<u>7,018,426</u>
Financial liabilities		
Due to Town of Oakville	73,606	80,934
	<u>\$ 7,106,784</u>	<u>\$ 6,937,492</u>

See accompanying notes to financial statements.

Approved by:

THE CORPORATION OF THE TOWN OF OAKVILLE

TRUST FUNDS

Statement of Operations and Accumulated Surplus and Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

	Boating Demolition (note 3)	Sports Clubs Demolition (note 4)	Cemetery Perpetual Care and Maintenance (note 5)	Cemetery Markers Care and Maintenance (note 5)	Halton Information Providers Oakville Public Library (note 6)	Total 2024	Total 2023
Revenue:							
Transfer from Town of Oakville	\$ -	\$ -	\$ 129,433	\$ 17,529	\$ 57,629	\$ 204,591	\$ 204,572
Investment Income	3,875	1,788	257,479	16,477	2,768	282,387	268,580
Federal Grant	-	-	-	-	109,387	109,387	19,351
Other Government recoveries	-	-	-	-	-	-	53,151
Miscellaneous	4,000	3,000	-	-	-	7,000	7,000
	7,875	4,788	386,912	34,006	169,784	603,365	552,654
Expenses:							
Transfer to Town of Oakville	-	-	257,479	16,477	160,117	434,073	416,028
Annual surplus and change in net financial assets	7,875	4,788	129,433	17,529	9,667	169,292	136,626
Accumulated surplus and net financial assets, beginning of year	93,034	41,846	6,346,385	402,031	54,196	6,937,492	6,800,866
Accumulated surplus and net financial assets, end of year	\$ 100,909	\$ 46,634	\$ 6,475,818	\$ 419,560	\$ 63,863	\$ 7,106,784	\$ 6,937,492

See accompanying notes to financial statements.

THE CORPORATION OF THE TOWN OF OAKVILLE

TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2024

1. Significant accounting policies:

The financial statements of The Corporation of the Town of Oakville Trust Funds (the "Trust Funds") are the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Trust Funds are as follows:

(a) Basis of presentation:

The Trust Funds follow the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Government transfers:

Government transfers are recognized as revenue in the financial statements when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made except when, and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(c) Investment income:

Investment income is reported as revenue in the period earned.

(d) Investments:

Investments consist of bonds and debentures and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss. The market value as at December 31, 2024 is \$3,065,027 (2023 - \$2,982,063).

(e) Tangible capital assets:

The net financial assets of the Trust Funds are used for the operations or maintenance of the individual Trust Funds. No tangible capital assets are purchased by the Trust Funds. All expenses of the Trust Funds are reimbursements to the Town of Oakville or the Oakville Public Library Board.

(f) Use of estimates:

The preparation of financial statements 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 year. Actual results could differ from those estimates.

THE CORPORATION OF THE TOWN OF OAKVILLE

TRUST FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(g) Adoption of new accounting standards:

The Trust adopted the following standards concurrently beginning January 1, 2024: PS 3400 *Revenue*, PSG – 8 *Purchased Intangibles* and PS 3160 *Public Private Partnerships*.

PS 3400 *Revenue* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance, referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a measurable component of a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

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.

PS 3160 *Public Private Partnerships* ("P3s") provide specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

The adoption of these standards did not have a material impact on the financial statements.

2. Statement of change in net financial assets and cash flows:

A statement of change in net financial assets and cash flows have not been included in these financial statements as the information that would be provided is readily available from the information presented.

3. Boating demolition:

As part of a tenant agreement between the Town of Oakville and the Burloak Canoe Club (the "BCC"), the BCC was required to pay for the demolition of its building which is on the Town of Oakville's property. The BCC contributed \$1,800 annually towards this demolition up until 2013, because the Town of Oakville has determined that the funds being held in "trust" equals the cost estimate to demolish the building. It is estimated that approximately \$25,000 will be required for demolition costs.

THE CORPORATION OF THE TOWN OF OAKVILLE

TRUST FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2024

3. Boating demolition (continued):

On January 1, 2011 the Town of Oakville entered into a license agreement with the Bronte Harbour Yacht Club (the "BHYC") for the use of town lands for the period from January 1, 2011 to June 30, 2061. As part of that license agreement, the BHYC was required to contribute to a demolition fund sufficient to fully fund the demolition of the BHYC building at the end of its useful life or to perform maintenance work if required. The BHYC contributed \$2,000 annually to the demolition fund, to a maximum amount of \$20,000, which was reached as of 2019.

On January 1, 2016 the Town of Oakville entered into a license agreement with the Oakville Power Boat Club (the "OPBC") for the use of town lands for the period from January 1, 2016 to December 31, 2065. As part of that license agreement, the OPBC is required to contribute to a demolition fund sufficient to fully fund the demolition of the OPBC building at the end of its useful life or to perform maintenance work if required. The OPBC is to contribute \$2,000 annually to the demolition fund, to a maximum amount of \$30,000.

On January 1, 2019 the Town of Oakville entered into a license agreement with the Oakville Yacht Squadron (the "OYS") for the use of town lands for the period from January 1, 2019 to December 31, 2068. As part of that license agreement, the OYS is required to contribute to a demolition fund sufficient to fully fund the demolition of the OYS building and improvements at the end of their useful lives or to perform maintenance work if required. The OYS is to contribute \$2,000 annually to the demolition fund, to a maximum amount of \$20,000.

4. Sports Clubs Demolition:

As part of a tenant agreement between the Town of Oakville and the Bronte Tennis Club (the "BTC"), the BTC was required to make payments for the demolition of its building which is on the Town of Oakville's property. The BTC paid \$10,000 as part of the lease agreement from 1997 and paid a further \$7,000 in 2018. These funds, along with the earned interest, were contributed into the trust in 2018. It is estimated that approximately \$20,000 will be required for demolition costs, which was reached as of 2019.

On January 1, 1987, the Town entered into a lease agreement with the Crusaders Rugby Club (the "CRC") for the use of town lands. This agreement was renewed and/or amended on November 8, 1998, October 1, 2008, and June 4, 2018. The amendment on June 4, 2018 included a provision that the CRC is required to contribute to a demolition fund sufficient to fully fund the demolition of the CRC buildings and improvements at the end of their useful lives or to perform maintenance work if required. Beginning in 2019, the CRC is to contribute \$3,000 annually to the demolition fund, to a maximum amount of \$30,000.

THE CORPORATION OF THE TOWN OF OAKVILLE

TRUST FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2024

5. Care and Maintenance Funds:

The Care and Maintenance Funds administered by the Town of Oakville are funded by the sale of cemetery plots. These funds are invested and earnings derived from the investments are used to perform care and maintenance to the municipality's cemeteries. The operations and investments of the Funds are undertaken by the Town of Oakville in accordance with the regulations of the Cemeteries Act.

6. Halton Information Providers – Oakville Public Library Board:

In October 2005, the Town of Oakville approved the establishment of the Halton Information Providers (the "HIP") Trust Fund on behalf of the Oakville Public Library Board. HIP members had collectively signed a Memorandum of Understanding designating Information Oakville of the Oakville Public Library Board as the lead administrative agency for HIP, leading the management of the Halton Community Services Database, with responsibility to receive and maintain a fund for all revenue generated from the database, disburse the funds and maintain the records.