

Sundridge-Strong-Joly Arena & Hall

Independent Auditor's Report and Financial Report

December 31, 2024

Sundridge-Strong-Joly Arena & Hall

Financial Report

December 31, 2024

Management's Responsibility for the Financial Statements

Independent Auditor's Report

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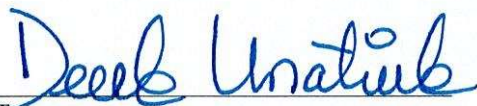
Management's Responsibility for the Financial Statements

The accompanying financial statements of the Sundridge-Strong-Joly Arena & Hall (the "Arena") are the responsibility of the Arena's management and have been prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as described in Note 2 to the financial statements.

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.

The Arena'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 financial statements. These systems are monitored and evaluated by management. The Arena's Board meets with management and the external auditor to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

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

A handwritten signature in blue ink, reading "Derek Unatub". The signature is fluid and cursive, with the first name "Derek" and last name "Unatub" clearly distinguishable.

Treasurer

September 9, 2025

Baker Tilly SNT LLP / s.r.l.

1850 Bond, Unit / Unité A

North Bay, ON, Canada P1B 4V6

T: +1 705.494.9336

F: +1 705.494.8783

www.bakertilly.ca

Independent Auditor's Report

To the Members of the Sundridge-Strong-Joly Arena & Hall

Opinion

We have audited the financial statements of the Sundridge-Strong-Joly Arena & Hall, which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus, cash flows, and change in net debt 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 Sundridge-Strong-Joly Arena & Hall as at December 31, 2024, and its results of operations 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 Arena 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.

Other Matter

The financial statements of the Sundridge-Strong-Joly Arena & Hall for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion of those statements on August 20, 2024.

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.

Independent Auditor's Report (continued)

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 Arena'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 Arena or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Arena'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 Arena's internal control.

Independent Auditor's Report (continued)

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

- 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 Arena'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 Arena 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.

North Bay, Ontario
September 9, 2025

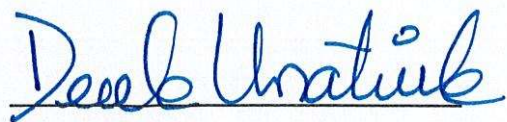
Baker Tilly SNT LLP
CHARTERED PROFESSIONAL ACCOUNTANTS,
LICENSED PUBLIC ACCOUNTANTS

Sundridge-Strong-Joly Arena & Hall
Statement of Financial Position
December 31, 2024

	<u>2024</u>	<u>2023</u>
Financial Assets		
Cash	\$ 157,921	\$ 166,260
Accounts receivable (note 4)	<u>10,420</u>	<u>10,455</u>
	<u>168,341</u>	<u>176,715</u>
Liabilities		
Accounts payable and accrued liabilities (note 5)	50,361	51,180
Long-term debt (note 6)	229,329	306,979
Employee future benefits payable (note 7)	18,681	20,109
Asset retirement obligations (note 8)	<u>45,501</u>	<u>43,583</u>
	<u>343,872</u>	<u>421,851</u>
Net Debt	<u>(175,531)</u>	<u>(245,136)</u>
Non-Financial Assets		
Tangible capital assets (note 9)	1,420,475	1,316,172
Prepaid expenses	3,244	-
Inventories of supplies	<u>4,308</u>	<u>7,528</u>
	<u>1,428,027</u>	<u>1,323,700</u>
Accumulated Surplus (note 10)	<u>\$ 1,252,496</u>	<u>\$ 1,078,564</u>

Approved by:





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

Sundridge-Strong-Joly Arena & Hall
Statement of Operations and Accumulated Surplus
For The Year Ended December 31, 2024

	2024		2023
	Budget	Actual	Actual
	(Unaudited)		
Revenues			
Municipal contributions			
- Township of Joly	\$ 49,989	\$ 49,989	\$ 45,815
- Township of Strong	249,945	249,945	229,073
- Village of Sundridge	199,956	199,956	183,259
User fees	58,800	52,316	40,158
Other	92,474	101,428	90,603
Loss on disposal of tangible capital assets	-	-	(1,999)
Total revenues	<u>651,164</u>	<u>653,634</u>	<u>586,909</u>
Expenses			
Salaries, wages and employee benefits	214,529	193,599	227,912
Interest on long-term debt	10,050	10,050	12,942
Materials and supplies	180,976	174,676	170,532
Contracted services	31,731	31,570	25,516
Rents and financial expenses	650	2,872	2,422
Amortization of tangible capital assets	66,935	66,935	59,674
Total expenses	<u>504,871</u>	<u>479,702</u>	<u>498,998</u>
Annual surplus	146,293	173,932	87,911
Accumulated surplus, beginning of year	<u>1,078,564</u>	<u>1,078,564</u>	<u>990,653</u>
Accumulated surplus, end of year	<u>\$ 1,224,857</u>	<u>\$ 1,252,496</u>	<u>\$ 1,078,564</u>

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

Sundridge-Strong-Joly Arena & Hall
Statement of Cash Flows
For The Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
Operating transactions		
Annual surplus	\$ 173,932	\$ 87,911
Cash provided by (applied to)		
Non-cash items:		
Employee future benefits payable	(1,428)	4,924
Accretion expense	1,918	1,837
Amortization of tangible capital assets	66,935	59,674
Loss on disposal of tangible capital assets	-	1,999
Change in non-cash working capital balances		
Decrease in accounts receivable	35	137,336
Decrease in accounts payable and accrued liabilities	(819)	(87,364)
Increase in prepaid expenses	(3,244)	-
Decrease in inventories of supplies	3,220	3,617
Cash provided by operating transactions	<u>240,549</u>	<u>209,934</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(171,238)</u>	<u>(65,032)</u>
Cash applied to capital transactions	<u>(171,238)</u>	<u>(65,032)</u>
Financing transactions		
Long-term debt repaid	<u>(77,650)</u>	<u>(74,767)</u>
Cash applied to financing transactions	<u>(77,650)</u>	<u>(74,767)</u>
Increase (decrease) in cash	(8,339)	70,135
Cash, beginning of year	<u>166,260</u>	<u>96,125</u>
Cash, end of year	<u><u>\$ 157,921</u></u>	<u><u>\$ 166,260</u></u>

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

Sundridge-Strong-Joly Arena & Hall
Statement of Change in Net Debt
For The Year Ended December 31, 2024

	<u>2024</u> Budget (Unaudited)	<u>2024</u> Actual	<u>2023</u> Actual
Annual surplus	\$ 146,293	\$ 173,932	\$ 87,911
Amortization of tangible capital assets	66,935	66,935	59,674
Loss on disposal of tangible capital assets	-	-	1,999
Acquisition of tangible capital assets	(213,578)	(171,238)	(65,032)
Change in prepaid expenses	-	(3,244)	-
Change in inventories of supplies	<u>-</u>	<u>3,220</u>	<u>3,617</u>
Decrease (increase) in net debt	(350)	69,605	88,169
Net debt, beginning of year	<u>(245,136)</u>	<u>(245,136)</u>	<u>(333,305)</u>
Net debt, end of year	<u><u>\$ (245,486)</u></u>	<u><u>\$ (175,531)</u></u>	<u><u>\$ (245,136)</u></u>

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

Sundridge-Strong-Joly Arena & Hall

Notes to the Financial Statements

December 31, 2024

1. Status and Nature of Activities

The Sundridge-Strong-Joly Arena & Hall (the "Arena") is a joint board of the Corporation of the Village of Sundridge, the Corporation of the Township of Strong, and the Corporation of the Township of Joly. Its mandate is to arena and hall services.

The contributions towards the Arena are in the following proportions:

	<u>2024</u>	<u>2023</u>
The Corporation of the Township of Joly	10 %	10 %
The Corporation of the Township of Strong	50 %	50 %
The Corporation of the Village of Sundridge	40 %	40 %

2. Significant Accounting Policies

These financial statements of the Arena are the representation 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 financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement.

(a) 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

Cash includes cash on hand and balances held at financial institutions.

(iii) Employee Future Benefits

The Arena makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS) which is a multi-employer contributory defined benefit program with contributions expensed as incurred. Obligations for sick leave and employee retirement gratuities are accrued as the eligible employees render the services necessary to earn the benefits.

Sundridge-Strong-Joly Arena & Hall

Notes to the Financial Statements

December 31, 2024

2. Significant Accounting Policies (Continued)

(a) Basis of Accounting (Continued)

(iv) 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 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 Arena 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 Arena 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 statement of operations and accumulated surplus.

Sundridge-Strong-Joly Arena & Hall

Notes to the Financial Statements

December 31, 2024

2. Significant Accounting Policies (Continued)

(a) Basis of Accounting (Continued)

(v) 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 annual surplus, provides the change in net debt for the year.

i) Tangible Capital Assets

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

Land improvements	20 years
Buildings	10 to 50 years
Machinery and equipment	10 to 20 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use. Tangible capital assets received as donations are recorded at their fair value at the date of receipt and also are recorded as revenue.

ii) Inventories of Supplies

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

iii) Prepaid Expenses

Prepaid expenses represent amounts paid in advance for a good or service not yet received. The expense is recognized once the goods have been received or the services have been performed.

(vi) Other Revenues

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

Other income is recognized when earned and collection is reasonably assured.

Sundridge-Strong-Joly Arena & Hall

Notes to the Financial Statements

December 31, 2024

2. Significant Accounting Policies (Continued)

(a) Basis of Accounting (Continued)

(vii) Government Grants and Transfers

Government transfers, such as municipal contributions and grants, are recognized in the 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. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. The transfer revenue is recognized in the statement of operations and accumulated surplus as the stipulations giving rise to the liabilities are settled.

(viii) Use of Estimates

The preparation of financial statements in conformity with the Canadian Public Sector Accounting Standards requires management to make estimates and assumptions. These estimates and assumptions are based on management's best information and judgement and may differ significantly from actual results. Accounts subject to significant estimates include the useful life of tangible capital assets and the related amortization, employee future benefits payable, and asset retirement obligations. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

(ix) Financial Instruments

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

Financial instruments classified at amortized cost include cash, accounts receivable, accounts payable and accrued liabilities, and long-term 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.

Sundridge-Strong-Joly Arena & Hall

Notes to the Financial Statements

December 31, 2024

3. Change in Accounting Policies

On January 1, 2024, the Arena adopted the following standards on a prospective basis: PS 3400 - *Revenue*, PSG-8 - *Purchased Intangibles* and PS 3160 - *Public Private Partnerships (P3s)*. The adoption of these standards had no impact on the opening balances.

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.

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.

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.

4. Accounts Receivable

	<u>2024</u>	<u>2023</u>
Federal government	\$ 1,132	\$ 2,267
Other municipalities	1,802	2,311
Other	<u>7,486</u>	<u>5,877</u>
	<u>\$ 10,420</u>	<u>\$ 10,455</u>

5. Accounts Payable and Accrued Liabilities

	<u>2024</u>	<u>2023</u>
Province of Ontario	\$ 1,674	\$ 1,876
Other municipalities	1,198	1,267
Trade payables	32,005	27,021
Accrued interest	724	970
Other	<u>14,760</u>	<u>20,046</u>
	<u>\$ 50,361</u>	<u>\$ 51,180</u>

Sundridge-Strong-Joly Arena & Hall

Notes to the Financial Statements

December 31, 2024

6. Long-Term Debt

	<u>2024</u>	<u>2023</u>
Debenture loan, repayable in monthly instalments of \$7,329, including interest at the fixed rate of 3.79%, maturing September 1, 2027	<u>\$ 229,329</u>	<u>\$ 306,979</u>

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

2025	\$ 80,645
2026	83,755
2027	<u>64,929</u>
Total	<u>\$ 229,329</u>

7. Employee Future Benefits Payable

Under the sick leave benefits policy, employees hired prior to January 1, 2014 can accumulate unused sick leave without limit and are entitled to one-half of their accumulated time, to a maximum of 30 days when they leave the Arena's employment. The sick leave liability estimates the use of accumulated sick leave prior to retirement, as well as any lump sum payments upon retirement, and assumes that both the appropriate discount rate and future salary and wage levels will increase by 2% per annum.

Under the retirement gratuity policy, qualifying employees are entitled to a payout, upon retirement, based on length of service and rate of pay. The retirement gratuity liability estimates the lump-sum payments upon retirement, and assumes that both the appropriate discount rate and future salary and wage levels will increase by 2% per annum.

	<u>2024</u>	<u>2023</u>
Sick leave	\$ 12,724	\$ 14,298
Retirement gratuity	<u>5,957</u>	<u>5,811</u>
	<u>\$ 18,681</u>	<u>\$ 20,109</u>

Sundridge-Strong-Joly Arena & Hall

Notes to the Financial Statements

December 31, 2024

8. Asset Retirement Obligations

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 43,583	\$ 41,746
Accretion expense	<u>1,918</u>	<u>1,837</u>
Balance, end of year	<u>\$ 45,501</u>	<u>\$ 43,583</u>

The asset retirement obligation is as follows:

	<u>2024</u>	<u>2023</u>
Asbestos removal	<u>\$ 45,501</u>	<u>\$ 43,583</u>

Asbestos removal

The Arena owns buildings which contain asbestos, and therefore, the Arena is legally required to perform abatement activities upon renovation or demolition of these assets. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. A discount rate of 4.4% (2023 - 4.4%) and an inflation rate of 2.6% (2023 - 2.6%) has been used in the calculation.

Sundridge-Strong-Joly Arena & Hall
Notes to the Financial Statements
December 31, 2024

9. Tangible Capital Assets

	Cost			Accumulated Amortization			Net Book Value	
	Balance, beginning of year	Additions	Transfers / Disposals	Balance, end of year	Balance, beginning of year	Amortization	Disposals	Balance, end of year
Land and land improvements	\$ 3,503	\$ 6,512	\$ -	\$ 10,015	\$ -	\$ 163	\$ -	\$ 9,852
Buildings	1,606,219	2,807	-	1,609,026	501,069	40,012	-	1,067,945
Machinery and equipment	734,127	161,919	(83,399)	812,647	530,027	26,760	(83,399)	339,259
Work in progress	3,419	-	-	3,419	-	-	-	3,419
	<u>\$ 2,347,268</u>	<u>\$ 171,238</u>	<u>\$ (83,399)</u>	<u>\$ 2,435,107</u>	<u>\$ 1,031,096</u>	<u>\$ 66,935</u>	<u>\$ (83,399)</u>	<u>\$ 1,420,475</u>
								<u>\$ 1,316,172</u>

Sundridge-Strong-Joly Arena & Hall

Notes to the Financial Statements

December 31, 2024

10. Accumulated Surplus

	<u>2024</u>	<u>2023</u>
Surplus		
Invested in tangible capital assets	\$ 1,420,475	\$ 1,316,172
General (a)	91,142	100,673
Unfunded liabilities		
Long-term debt	(229,329)	(306,979)
Asset retirement obligations	(45,501)	(43,583)
Employee future benefits payable	(18,681)	(20,109)
Total surplus	<u>1,218,106</u>	<u>1,046,174</u>
Reserves		
Ball field capital	410	410
Rubber flooring	22,000	20,000
Working capital	<u>11,980</u>	<u>11,980</u>
Total reserves	<u>34,390</u>	<u>32,390</u>
Accumulated Surplus	<u>\$ 1,252,496</u>	<u>\$ 1,078,564</u>

(a) General Surplus:

The general surplus of \$91,142 (2023 - \$100,673) at the end of the year is comprised of the following:

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 100,673	\$ 36,186
Annual surplus	173,932	87,911
Transfer (to) from reserves	(2,000)	47,941
Net change in tangible capital assets	(104,303)	(3,359)
Decrease in unfunded liabilities	<u>(77,160)</u>	<u>(68,006)</u>
Closing balance	<u>\$ 91,142</u>	<u>\$ 100,673</u>

Sundridge-Strong-Joly Arena & Hall

Notes to the Financial Statements

December 31, 2024

11. Related Party Transactions

The related party transactions below are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

The following table summarizes the Arena's related party transactions with its contributing municipalities during the year:

	<u>2024</u>	<u>2023</u>
Municipal contributions		
Township of Joly	\$ 49,989	\$ 45,815
Township of Strong	249,945	229,073
Village of Sundridge	199,956	183,259
Expenses		
Township of Strong		
Administration	\$ 4,100	\$ 3,000
Village of Sundridge		
Wastewater levy	3,459	3,424
Court security costs (recovery)	(1,802)	1,159
Water testing	-	192
At the end of the year, amounts due to (from) are as follows:		
Township of Strong	\$ 39	\$ (2,203)
Village of Sundridge	(643)	1,159

12. Pension Agreements

The Arena makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of all qualifying 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 OMERS 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 approximately 640,000 active and retired members and approximately 1,000 employers.

Sundridge-Strong-Joly Arena & Hall

Notes to the Financial Statements

December 31, 2024

12. Pension Agreements (Continued)

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, 2024, the estimated accrued pension obligation for all members of the Plan was \$140,766 million (2023 - \$134,574 million). The Plan had an actuarial value of net assets at that date of \$137,853 million (2023 - \$130,372 million) indicating an actuarial deficit of \$2,913 million (2023 - \$4,202 million). The Plan is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Arena does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed by the Arena to OMERS for 2024 was \$14,480 (2023 - \$15,981) for current services and is included as an expense on the statement of operations and accumulated surplus.

13. Financial Instruments

Risks arising from financial instruments and risk management

The Arena 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.

Credit risk

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

Liquidity risk

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

Sundridge-Strong-Joly Arena & Hall

Notes to the Financial Statements

December 31, 2024

13. Financial Instruments (Continued)

Market risk

Market risk is the risk of changes in the fair value of financial instruments resulting from fluctuations in the market. The Arena 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 Arena's financial instruments consisting of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt are subject to market risk. The Arena does not believe it is subject to significant market risk.

14. Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Arena. The budget approved by the Arena is based on a model used to manage spending within the guidelines of the model. Given the differences between the model and generally accepted accounting principles established by the Public Sector Accounting Board, the budget figures presented have been adjusted to conform with this basis of accounting that is used to prepare the financial statements. The budget figures are unaudited.

	<u>2024</u>	<u>2023</u>
Budget By-law surplus for the year	\$ -	\$ -
Add: Acquisition of tangible capital assets	213,578	189,700
Municipal debt repaid	77,650	74,767
Contributions to reserves	2,000	-
Less: Amortization of tangible capital assets	(66,935)	(59,674)
Accretion expense	-	(1,837)
Contributions from reserves	-	(47,941)
Contributions from general surplus	<u>(80,000)</u>	<u>(36,186)</u>
 Budget surplus per statement of operations and accumulated surplus	 <u><u>\$ 146,293</u></u>	 <u><u>\$ 118,829</u></u>

15. Comparative Figures

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