

**Burk's Falls, Joly, Machar, Ryerson,
South River, Strong and Sundridge Joint
Building Committee**

Independent Auditor's Report and Financial Report

December 31, 2024

Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee

Financial Report

December 31, 2024

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Management's Responsibility for the Financial Statements

The accompanying financial statements of the Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee (the "Committee") are the responsibility of the Committee'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 Committee'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 Committee'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 Committee. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Committee's financial statements.

A handwritten signature in blue ink, appearing to read "David Unatub", is written over a horizontal line.

Treasurer

September 9, 2025

Independent Auditor's Report

**To the Members of the Burk's Falls, Joly, Machar,
Ryerson, South River, Strong and Sundridge Joint
Building Committee**

Opinion

We have audited the financial statements of the Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee, which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus (deficit), 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 Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee 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 Committee 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 Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee 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 Committee'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 Committee or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Committee'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 Committee'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 Committee'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 Committee 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

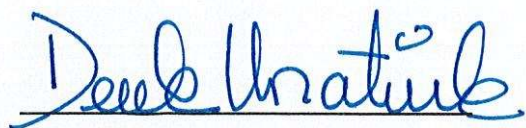
**Burk's Falls, Joly, Machar, Ryerson, South River, Strong and
Sundridge Joint Building Committee**

Statement of Financial Position

December 31, 2024

	<u>2024</u>	<u>2023</u>
Financial Assets		
Cash	\$ 456,694	\$ 587,955
Other investments (note 4)	204,904	103,370
Accounts receivable (note 5)	<u>11,671</u>	<u>3,770</u>
	<u>673,269</u>	<u>695,095</u>
Liabilities		
Accounts payable and accrued liabilities (note 6)	13,348	18,500
Deferred revenues - obligatory reserve funds (note 7)	661,559	677,040
Employee future benefits payable (note 8)	<u>42,077</u>	<u>39,139</u>
	<u>716,984</u>	<u>734,679</u>
Net Debt	<u>(43,715)</u>	<u>(39,584)</u>
Non-Financial Assets		
Tangible capital assets (note 9)	57,654	24,120
Prepaid expenses	<u>1,638</u>	<u>445</u>
	<u>59,292</u>	<u>24,565</u>
Accumulated Surplus (Deficit) (note 10)	<u>\$ 15,577</u>	<u>\$ (15,019)</u>

Approved by:



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

Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee
Statement of Operations and Accumulated Surplus (Deficit)
For The Year Ended December 31, 2024

	2024		2023
	Budget	Actual	Actual
	(Unaudited)		
Revenues			
Building permits and fines (note 11)	\$ 367,200	\$ 301,317	\$ 250,230
Other	30,000	32,451	28,537
Gain on disposal of tangible capital assets	-	11,532	-
Total revenues	<u>397,200</u>	<u>345,300</u>	<u>278,767</u>
Expenses			
Salaries, wages, and employee benefits	266,325	256,454	236,484
Materials and supplies	34,775	14,617	19,337
Contracted services	28,300	29,540	20,402
Rents and financial expenses	7,800	7,718	5,965
Amortization of tangible capital assets	<u>6,376</u>	<u>6,375</u>	<u>4,514</u>
Total expenses	<u>343,576</u>	<u>314,704</u>	<u>286,702</u>
Annual surplus (deficit)	53,624	30,596	(7,935)
Accumulated deficit, beginning of year	<u>(15,019)</u>	<u>(15,019)</u>	<u>(7,084)</u>
Accumulated surplus (deficit), end of year	<u>\$ 38,605</u>	<u>\$ 15,577</u>	<u>\$ (15,019)</u>

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

**Burk's Falls, Joly, Machar, Ryerson, South River, Strong and
Sundridge Joint Building Committee**
Statement of Cash Flows
For The Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
Operating transactions		
Annual surplus (deficit)	\$ 30,596	\$ (7,935)
Cash provided by (applied to)		
Non-cash items:		
Employee future benefits payable	2,938	9,411
Amortization of tangible capital assets	6,375	4,514
Gain on disposal of tangible capital assets	(11,532)	-
Change in non-cash working capital balances		
Increase in accounts receivable	(7,901)	(2,579)
Increase (decrease) in accounts payable and accrued liabilities	(5,152)	1,234
Increase (decrease) in deferred revenues - obligatory reserve funds	(15,481)	91,954
Decrease (increase) in prepaid expenses	(1,193)	177
Cash provided by (applied to) operating transactions	<u>(1,350)</u>	<u>96,776</u>
Capital transactions		
Acquisition of tangible capital assets	(56,377)	(5,990)
Proceeds on disposal of tangible capital assets	28,000	-
Cash applied to capital transactions	<u>(28,377)</u>	<u>(5,990)</u>
Investing transactions		
Acquisition of other investments	(101,534)	(1,627)
Cash applied to investing transactions	<u>(101,534)</u>	<u>(1,627)</u>
Increase (decrease) in cash	(131,261)	89,159
Cash, beginning of year	<u>587,955</u>	<u>498,796</u>
Cash, end of year	<u><u>\$ 456,694</u></u>	<u><u>\$ 587,955</u></u>

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

Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee
Statement of Change in Net Debt
For The Year Ended December 31, 2024

	<u>2024</u> <u>Budget</u> (Unaudited)	<u>2024</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Annual surplus (deficit)	\$ 53,624	\$ 30,596	\$ (7,935)
Amortization of tangible capital assets	6,376	6,375	4,514
Gain on disposal of tangible capital assets	-	(11,532)	-
Proceeds on disposal of tangible capital assets		28,000	-
Acquisition of tangible capital assets	(60,000)	(56,377)	(5,990)
Change in prepaid expenses	<u>-</u>	<u>(1,193)</u>	<u>177</u>
Increase in net debt	-	(4,131)	(9,234)
Net debt, beginning of year	<u>(39,584)</u>	<u>(39,584)</u>	<u>(30,350)</u>
Net debt, end of year	<u><u>\$ (39,584)</u></u>	<u><u>\$ (43,715)</u></u>	<u><u>\$ (39,584)</u></u>

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

Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee

**Notes to the Financial Statements
December 31, 2024**

1. Status and Nature of Activities

The Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee (the "Committee") is a joint committee of the Corporation of the Municipality of the Village of Burk's Falls, the Corporation of the Township of Joly, the Corporation of the Township of Machar, the Corporation of the Township of Ryerson, the Corporation of the Village of South River, the Corporation of the Township of Strong, and the Corporation of the Village of Sundridge. Its mandate is to provide building services. The revenue/expense of the Committee is allocated to the participating municipalities annually based on the permit fees collected for the participant as a percentage of the total permit fees collected by all participating parties.

2. Significant Accounting Policies

These financial statements of the Committee 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) Deferred Revenues - Obligatory Reserve Funds

The Committee receives certain government grants, transfers 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 revenues. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee
Notes to the Financial Statements
December 31, 2024

2. Significant Accounting Policies (Continued)

(a) Basis of Accounting (Continued)

(iv) Employee Future Benefits

The Committee 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.

(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:

Vehicles	8 years
Equipment	5 to 10 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) 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.

Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee
Notes to the Financial Statements
December 31, 2024

2. Significant Accounting Policies (Continued)

(a) Basis of Accounting (Continued)

(vi) Other Revenues

Building permits and fines are recognized in the period in which the revenue relates.

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

(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, and employee future benefits payable. 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, other investments, accounts receivable, and accounts payable and accrued liabilities. 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.

Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee
Notes to the Financial Statements
December 31, 2024

3. Change in Accounting Policies

On January 1, 2024, the Committee 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. Other Investments

	<u>2024</u>	<u>2023</u>
Guaranteed Investment Certificates maturing July 5, 2025, and July 5, 2026, bearing accrued interest at 5.1% and 4.9% respectively	<u>\$ 204,904</u>	<u>\$ 103,370</u>

5. Accounts Receivable

	<u>2024</u>	<u>2023</u>
Federal government	\$ 11,546	\$ 3,722
Province of Ontario	<u>125</u>	<u>48</u>
	<u>\$ 11,671</u>	<u>\$ 3,770</u>

Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee
Notes to the Financial Statements
December 31, 2024

6. Accounts Payable and Accrued Liabilities

	<u>2024</u>	<u>2023</u>
Province of Ontario	\$ 2,323	\$ 1,839
Trade payables	214	2,232
Other	<u>10,811</u>	<u>14,429</u>
	<u>\$ 13,348</u>	<u>\$ 18,500</u>

7. 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 revenues. 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 balances in the obligatory reserve funds of the Committee are summarized below:

	Balance as at December 31, 2023	Amounts received during the year	Recognized as revenues during the year	Balance as at December 31, 2024
Building code act	<u>677,040</u>	<u>-</u>	<u>15,481</u>	<u>661,559</u>
Total Deferred Revenues - Obligatory Reserve Funds	<u>\$ 677,040</u>	<u>\$ -</u>	<u>\$ 15,481</u>	<u>\$ 661,559</u>

**Burk's Falls, Joly, Machar, Ryerson, South River, Strong and
Sundridge Joint Building Committee**
Notes to the Financial Statements
December 31, 2024

8. 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 the leave the Committee'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	\$ 22,637	\$ 21,485
Retirement gratuity	<u>19,440</u>	<u>17,654</u>
	<u>\$ 42,077</u>	<u>\$ 39,139</u>

Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee
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	Amortization	Disposals	December 31, 2024	December 31, 2023
Vehicles	\$ 32,936	\$ 56,377	\$ (32,936)	\$ 56,377	\$ 5,582	\$ (16,468)	\$ 52,854	\$ 18,527
Equipment	5,990	-	-	5,990	793	-	4,800	5,593
	<u>\$ 38,926</u>	<u>\$ 56,377</u>	<u>\$ (32,936)</u>	<u>\$ 62,367</u>	<u>\$ 6,375</u>	<u>\$ (16,468)</u>	<u>\$ 57,654</u>	<u>\$ 24,120</u>

Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee
Notes to the Financial Statements
December 31, 2024

10. Accumulated Surplus (Deficit)

	<u>2024</u>	<u>2023</u>
Surplus		
Invested in tangible capital assets	\$ 57,654	\$ 24,120
Unfunded liabilities		
Employee future benefits payable	<u>(42,077)</u>	<u>(39,139)</u>
Accumulated Surplus (Deficit)	<u>\$ 15,577</u>	<u>\$ (15,019)</u>

11. Building Permits and Fines

The composition of building permits and fines reported on the Statement of Financial Position is as follows:

	<u>2024</u>	<u>2023</u>
Permit fees and fines collected in the year		
Village of Burk's Falls	\$ 12,425	\$ 24,143
Township of Joly	10,095	31,153
Township of Machar	56,723	103,377
Township of Ryerson	46,087	70,810
Village of South River	29,054	24,669
Township of Strong	70,532	34,932
Village of Sundridge	<u>60,920</u>	<u>53,100</u>
	285,836	342,184
Transfers from (to) deferred revenues - obligatory reserve funds	<u>15,481</u>	<u>(91,954)</u>
	<u>\$ 301,317</u>	<u>\$ 250,230</u>

Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee
Notes to the Financial Statements
December 31, 2024

12. 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 Committee's related party transactions with its contributing municipalities during the year:

	<u>2024</u>	<u>2023</u>
Expenses		
Township of Strong		
Administration	\$ 10,000	\$ 7,200
Rent	7,490	5,712

13. Pension Agreements

The Committee 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.

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 Committee does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed by the Committee to OMERS for 2024 was \$22,735 (2023 - \$20,691) for current services and is included as an expense on the statement of operations and accumulated surplus (deficit).

Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee
Notes to the Financial Statements
December 31, 2024

14. Financial Instruments

Risks arising from financial instruments and risk management

The Committee 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 Committee is exposed to credit risk to the extent that accounts receivable are not collected in a timely manner. The Committee's financial assets consisting of cash, other investments, 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 Committee at the date of the statement of financial position. The Committee does not believe it is subject to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Committee will not be able to meet its financial obligations as they become due. The Committee's financial liabilities include accounts payable and accrued liabilities. The Committee maintains sufficient resources to meet its obligations. The Committee 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 Committee 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 Committee's financial instruments consisting of cash, other investments, accounts receivable, and accounts payable and accrued liabilities are subject to market risk. The Committee does not believe it is subject to significant market risk.

Burk's Falls, Joly, Machar, Ryerson, South River, Strong and Sundridge Joint Building Committee
Notes to the Financial Statements
December 31, 2024

15. Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Committee. The budget approved by the Committee 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	60,000	6,000
Less: Amortization of tangible capital assets	<u>(6,376)</u>	<u>(4,514)</u>
 Budget surplus per statement of operations and accumulated surplus	 <u>\$ 53,624</u>	 <u>\$ 1,486</u>

16. Comparative Figures

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