



Corporation of the Township of Edwardsburgh/Cardinal

2023 Audit Service Plan

Report to Council

December 31, 2023

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Audit Service Plan Overview

We are pleased to present our Audit Service Plan for Corporation of the Township of Edwardsburgh/Cardinal and its subsidiaries (the "Municipality") which outlines the strategy we will follow to provide the Municipality's Council with our Independent Auditor's Report on the December 31, 2023 financial statements. We are providing this Audit Service Plan to Council on a confidential basis. It is intended solely for the use of Council and is not intended for any other purpose. Accordingly, we disclaim any responsibility to any other party who may rely on this report.

Additional materials provided along with this plan include both our Engagement Letter and draft Independence Communication. Our Engagement Letter is the formal written agreement of the terms of our audit engagement as negotiated with management and outlines our responsibilities under Canadian generally accepted auditing standards. Our draft Independence Communication formally confirms in writing MNP's independence.

We confirm to Council that we are independent of the Municipality. Our letter to Council discussing our independence is included at the end of this report.

Topics for Discussion

We are committed to providing superior client service by maintaining effective two-way communication. Topics for discussion include, but are not limited to:

- Changes to your business operations and developments in the financial reporting and regulatory environment
- Business plans and strategies
- Any other issues and/or concerns
- Fraud, including how fraud could occur, the risk of fraud and misstatement, and any actual, suspected or alleged fraud
- The management oversight process
- Your specific needs and expectations

The MNP Audit Approach

Audit Materiality

The scope of our audit work is tailored to reflect the relative size of operations of the Municipality and our assessment of the potential for material misstatements in the Municipality's financial statements as a whole (and, if applicable, for particular classes of transactions, account balances or disclosures). In determining the scope, we emphasize relative audit risk and materiality, and consider a number of factors, including:

- The size, complexity, and growth of the Municipality;
- Changes within the organization, management or accounting systems; and

- Concerns expressed by management.



We propose to use \$560,000 as overall materiality for audit planning purposes.

Auditor’s Approach to Internal Control

For the December 31, 2023 audit, we are planning to place low reliance on the Municipality’s accounting system. This level of reliance is consistent with the prior year end, and will involve mainly substantive tests of details.

Key Changes and Developments

Based on our knowledge of the Municipality and our discussions with management, we have noted the recent developments set out below. Our audit strategy has been developed giving consideration to these factors.

| ISSUES AND DEVELOPMENTS | SUMMARY |
|--|--|
|  <p>NEW REPORTING DEVELOPMENTS</p> | <ul style="list-style-type: none"> • 2018 – 2019 Annual Improvements to Public Sector Accounting Standards (Amendment) • PS 1201 Financial Statement Presentation (New) • PS 3041 Portfolio Investments (New) • PS 3280 Asset Retirement Obligations (New) • PS 3400 Revenue (New) • PS 3450 Financial Instruments (New and Amendment) • PS 3450 Financial Instruments (Amendment) • 2019 - 2020 Annual Improvements to Public Sector Accounting Standards (Amendment) |
|  <p>NEW ASSURANCE DEVELOPMENTS</p> | <ul style="list-style-type: none"> • CAS 315 Identifying and Assessing the Risks of Material Misstatement (Amendment) • CAS 540 Auditing Accounting Estimates and Related Disclosures (New) |

Detailed information on Key Changes and Developments are included as Appendix A.

Risk Assessment

Our audit process focuses on significant risks identified during the pre-planning and planning and risk assessment stage, ensuring that audit procedures are tailored to your specific circumstances and appropriately address those risks.

Based on the preliminary risk assessment procedures performed, we have identified the following significant and high risks which will be addressed during our audit. We have also outlined the proposed audit response to address those risks. We will update our risk assessment as the audit progresses for additional risks identified and will inform management of any additional significant risks identified.

| SIGNIFICANT RISK AREA | PROPOSED AUDIT RESPONSE |
|--|---|
| Management override of internal controls | <p>To respond to the overall risk of material misstatement due to fraud regarding management's override of controls, we perform the following procedures:</p> <ol style="list-style-type: none"> 1. Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements 2. Review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud, if applicable 3. Evaluate the rationale behind significant transactions that are not in the normal course of business and whether they have been recorded to engage in fraudulent financial reporting or to conceal misappropriation of assets |
| <p>Management override of controls</p> <p>There is a presumed risk of management override of controls in all entities</p> | MNP will test adjusting journal entries posted by management throughout the year based on criteria set by the audit engagement team. |
| <p>Expenses and payables</p> <p>Expenses could be recorded in the wrong period</p> | Test cut-off to gain a high degree of comfort over expenses being recorded in the proper period. |
| <p>Revenues and receivables</p> <p>Revenues could be recorded in the wrong period</p> | Test cut-off to gain a high degree of comfort over revenues being recorded in the proper period as well as testing adjusting journal entries posted by management with any unusual account combinations affecting revenue. |

| HIGHER RISK AREA | PROPOSED AUDIT RESPONSE |
|---|---|
| <p>Grants</p> <p>Grants subject to certain criteria might be recorded in revenue when such criteria is not yet met</p> | <p>Test grants at a low threshold and ensure they qualify for recognition as revenue in the year.</p> |

Audit Team

In order to ensure effective communication between Council and MNP, we outline below the key members of our audit team that will be responsible for the audit of Corporation of the Township of Edwardsburgh/Cardinal and the role they will play:

| RETURNING TEAM MEMBERS | CONTACT INFORMATION |
|---|-----------------------------------|
| Jamie Pollock, CPA, CA, Partner | E: Jamie.Pollock@mnp.ca |
| Julia Tilley, CPA, Manager | E: Julia.Tilley@mnp.ca |
| Francesca Giovanniello, CPA Candidate, Accountant | E: Francesca .Giovanniello@mnp.ca |

| NEW TEAM MEMBERS | CONTACT INFORMATION |
|---|--------------------------|
| Inderjeet Kaur, CPA Student, Accountant | E: Inderjeet.Kaur@mnp.ca |

Our partners and senior management are committed to providing you with the highest level of attention and oversight throughout the terms of this engagement, reflecting MNP's staffing model and client service philosophy. Through consistent attention from leaders, our engagement team will maintain responsibility and authority over all matters of the engagement and will drive service delivery and issue resolution. In addition, the engagement team will be actively involved and have hands-on involvement with service delivery, ensuring engagement objectives will be met.

In order to serve you better and meet our professional responsibilities, we may find it necessary to expand our audit team to include other MNP professionals whose consultation will assist us to evaluate and resolve complex, difficult and/or contentious matters identified during the course of our audit.

Any changes to the audit team will be discussed with you to ensure a seamless process and that all concerned parties' needs are met.

Timing of the Audit

| KEY DELIVERABLE | EXPECTED DATE |
|---|--|
| Interim fieldwork audit procedures | November 27, 2023 to November 28, 2023 |
| Year-end fieldwork audit procedures | February 26, 2024 to March 1, 2024 |
| Draft year-end financial statements to be discussed with management | March 22, 2024 |
| Presentation of December 31, 2023 audited financial statements to Council | April 8, 2024 |
| Presentation of Management Letter to Council | April 8, 2024 |
| Issuance of Independent Auditor's Report | April 8, 2024 |

Fees and Assumptions

| DESCRIPTION | 2023 ESTIMATE |
|--|------------------------------|
| Base audit fee | \$ 33,000 |
| Additional auditing procedures required for new accounting standard (PS 3280)- Asset Retirement Obligations (AROs) | \$ 3,500 - \$ 5,000 |
| Total | \$ 36,500 - \$ 38,000 |

If any significant issues arise during the course of our audit work which indicate a possibility of increased procedures or a change in the audit timetable, these will be discussed with management by the engagement partner, so a mutually agreeable solution can be reached.

Invoices will be rendered as work progresses in accordance with the following schedule:

| DESCRIPTION | AMOUNT |
|--|------------------------------|
| Progress billing #1 Start of interim audit procedures (late November) | \$ 12,000 |
| Progress billing #2 Start of year-end audit procedures (late February) | \$ 12,000 |
| Progress billing #3 - Discussion of draft financial statements with management (March) | \$ 8,000 |
| Final billing – upon release of auditor's report (April or May) | \$ 4,500 - \$ 6,000 |
| Total | \$ 36,500 - \$ 38,000 |

We look forward to discussing our Audit Service Plan with you, as well as any other matters of interest to you.

Sincerely,

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

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Appendix A – Key Changes and Developments

We would like to bring to your attention the following accounting and auditing developments, which may have some impact on your financial reporting.

Issues and Developments Summary

New Reporting Developments

2018 – 2019 Annual Improvements to Public Sector Accounting Standards (Amendment)

In September 2019, the Public Sector Accounting Board (PSAB) issued annual improvements to correct errors in wording or clarify the PSA Handbook and other guidance. The amendments include:

- Removal of due process procedures from the PSA Handbook and other guidance as PSAB's Due Process Manual contains the due process the Board must follow.
- Various amendments to correct inconsistencies and update terminology in affected Standards related to the introduction of the government component category in 2014.
- Various amendments to PS 3060 *Government Partnerships*, mainly to update terminology.
- Other minor amendments to address further inconsistencies or areas requiring clarification, as well as consequential amendments to various other standards.

The amendments are effective for fiscal years beginning on or after April 1, 2020 and should be applied retrospectively. Early adoption is permitted.

PS 1201 Financial Statement Presentation (New)

In June 2011, as a result of the issuance of PS 3450 *Financial Instruments*, the Public Sector Accounting Board (PSAB) issued new PS 1201 *Financial Statement Presentation*, which revises and replaces PS 1200 *Financial Statement Presentation*. The main features of the new standard are:

- Remeasurement gains and losses are reported in a new statement: the statement of remeasurement gains and losses.
- Other comprehensive income arising when a government includes the results of government business enterprises and government business partnerships in its financial statements, is reported in the statement of remeasurement gains and losses.
- Accumulated surplus or deficit is presented as the total of the accumulated operating surplus or deficit and the accumulated remeasurement gains and losses.

The Section is effective in the same period PS 2601 *Foreign Currency Translation* and PS 3450 are adopted. PS 2601 and PS 3450 are to be adopted together and were to be effective for fiscal years beginning on or after April 1, 2019. In March 2018, the Public Sector Accounting Board (PSAB) approved an extension of the effective date to fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted.

PS 3041 Portfolio Investments (New)

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In March 2012, as a result of the issuance of PS 3450 *Financial Instruments*, the Public Sector Accounting Board (PSAB) issued new PS 3041 *Portfolio Investments*, which revises and replaces PS 3030 *Temporary Investments* and PS 3040 *Portfolio Investments*. The main features of the new standard are:

- PS 3041 does not make a distinction between temporary and portfolio investments, and is cross referenced and conformed to the requirements of PS 3450.
- Investments previously within the scope of PS 3030, which are not cash equivalents, are now accounted for within the scope of PS 3041.

This Section is effective in the same period PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation* and PS 3450 are adopted. PS 1201, PS 2601 and PS 3450 are to be adopted together and were to be effective for fiscal years beginning on or after April 1, 2019. In March 2018, the Public Sector Accounting Board (PSAB) approved an extension of the effective date to fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted.

PS 3280 Asset Retirement Obligations (New)

In August 2018, new PS 3280 *Asset Retirement Obligations* was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new PS 3280 establishes standards on how to account for and report a liability for asset retirement obligations (ARO). As asset retirement obligations associated with landfills are included in the scope of new PS 3280, PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability* will be withdrawn.

The main features of this standard are as follows:

- An ARO represents a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic matter.
- When an asset is no longer in productive use, the associated asset retirement costs are expensed.
- Measurement of the ARO liability should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.
- The best method to estimate the liability is often a present value technique.

This standard was to be effective for fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted.

PS 3400 Revenue (New)

In November 2018, new PS 3400 *Revenue* was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new PS 3400 establishes standards on how to account for and report on revenue by distinguishing between revenue arising from transactions that include performance obligations and transactions that do not have

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performance obligations. The main features of this Section are as follows:

- Performance obligations are enforceable promises to provide specific goods or services to a specific payor.
- Performance obligations can be satisfied at a point in time or over a period of time.
- The new standard outlines five indicators to determine if the revenue would be recognized over a period of time.
- Revenue from a transaction with a performance obligation(s) is recognized when, or as, the entity has satisfied the performance obligation(s).
- Revenue from transactions with no performance obligation is recognized when a public sector entity has the authority to claim or retain an inflow of economic resources and a past event that gives rise to a claim of economic resources has occurred.

Further editorial changes have also been made to other standards as a result of the issuance of PS 3400.

This Section was to be effective for fiscal years beginning on or after April 1, 2022. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2023. Early application continues to be permitted.

PS 3450 Financial Instruments (New and Amendment)

In June 2011, the Public Sector Accounting Board (PSAB) issued new PS 3450 *Financial Instruments*. The new standard establishes requirements for recognition, measurement, derecognition, presentation and disclosure of financial assets and financial liabilities, including derivatives. The main features of the new standard are:

- Financial instruments are classified into two measurement categories: fair value, or cost or amortized cost.
 - Almost all derivatives, including embedded derivatives not closely related to the host contract, are measured at fair value.
 - Portfolio investments in equity instruments quoted in an active market are measured at fair value.
 - Other financial assets and financial liabilities are generally measured at cost or amortized cost.
 - An entity may elect to measure any group of financial assets or financial liabilities (or both) at fair value when the entity has a risk management or investment strategy to manage those items on a fair value basis.
- Remeasurement gains and losses on financial instruments measured at fair value are reported in the statement of remeasurement gains and losses until the financial instrument is derecognized.
- Budget to actual comparisons are not required within the statement of remeasurement gains and losses;
- Financial liabilities are derecognized when, and only when, they are extinguished.
- Financial assets and financial liabilities are only offset and reported on a net basis if a legally enforceable right to set off the recognized amounts exists, and the entity intends to settle on a net basis or realize/settle the amounts simultaneously.

In May 2012, the transitional provisions for this Section were amended, effective at the time the standard is initially applied, to clarify that the measurement provisions are applied prospectively. Adjustments to previous carrying amounts are recognized in opening accumulated remeasurement gains or losses. Additionally, a new transitional provision has been added that applies to government organizations transitioning from the standards in Part V of

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the CPA Canada Handbook – Accounting with items classified as available for sale. Accumulated other comprehensive income (OCI) from items classified as available for sale is recognized in accumulated remeasurement gains or losses on transition.

PS 3450 was to be effective for fiscal years beginning on or after April 1, 2019. In March 2018, the Public Sector Accounting Board (PSAB) approved an extension of the effective date to fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section and amendments are now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted. In the period that a public sector entity applies PS 3450, it also applies PS 1201 and PS 2601.

PS 3450 Financial Instruments (Amendment)

In April 2020, the Public Sector Accounting Board (PSAB) issued amendments to PS 3450 *Financial Instruments*. The main features of the amendments include:

Bond Repurchase Transactions

- Bond repurchase transactions are only to be treated as extinguishments when they are either:
 - Legally discharged;
 - An exchange of debt instruments with substantially different terms; or
 - A substantial modification of the terms of an existing financial liability or part of it.

Section Application

- Clarification that PS 3450 does not apply unless a contractual right or a contractual obligation underlies a receivable or payable. By definition, there must be a contract for there to be a financial instrument.
- Clarification for how to account for a transfer of collateral pursuant to a credit risk management mechanism in a derivative contract.
- Addition of application guidance explaining that derecognition of a financial asset does not occur if the transferor of a financial asset retains substantially all the risks and benefits of ownership.

Transitional Provisions

- Clarification that a controlling government should use carrying values of the financial assets and liabilities in the records of its government organizations when consolidating a government organization.
- For financial assets or financial liabilities in the cost or amortized cost category which have an associated unamortized discount, premium or transaction costs, the unamortized discount, premium or transaction costs should be included in the item's opening carrying value.
- For derivatives which may not have been recognized or may not have been measured at fair value prior to the adoption of PS 3450, any difference between the previous carrying value and fair value should be recognized in the opening balance of accumulated remeasurement gains and losses.

The amendments were to be effective for fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section and amendments are now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted.

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2019 - 2020 Annual Improvements to Public Sector Accounting Standards (Amendment)

In November 2020, the Public Sector Accounting Board (PSAB) issued annual improvements to correct errors in wording or clarify the PSA Handbook and other guidance. The amendments include:

- Clarification that early adoption of a new or amended standard also requires early adoption of all consequential amendments related to that standard and that consequential amendments are not available for early adoption if the related amended standard has not been early adopted.
- Updates to the disclosure requirements in various standards to reflect the requirement of PS 3380 *Contractual Rights* relating to disclosure of contractual rights.
- Replacement of the term “contingencies” with “contingent assets and contingent liabilities” in various standards.

The amendments are effective for fiscal years beginning on or after April 1, 2021 and should be applied retrospectively. Early adoption is permitted.

New Assurance Developments

CAS 315 Identifying and Assessing the Risks of Material Misstatement (Amendment)

In May 2020, the Auditing and Assurance Standards Board (AASB) issued the revised CAS 315 1, to align with the International Auditing and Assurance Standards Board’s (IAASB) changes to International Standards on Auditing (ISA) 315 (revised), with the same title.

The revised CAS 315 incorporates changes to establish more robust requirements and detailed guidance to assist auditors in performing appropriate risk assessment procedures corresponding with the size and nature of the entity. It also includes changes to enhance the application of professional skepticism in audits. The revised CAS 315 accomplishes the following:

- Distinguishes the nature and extent of work needed for indirect and direct controls in the system of internal control;
- Clarifies which controls need to be identified for evaluating the design of a control, and determining whether the control has been implemented;
- Highlights scalability of the standard by keeping the principles-based requirements focused on what needs to be done, and using separate headings in the application material to illustrate scaling based on the complexity of the situation;
- Clarifies the definition of “significant risk” and introduces the concept of spectrum of inherent risk to assist the auditor in making a judgment, based on the likelihood and magnitude of a possible misstatement, on a range from higher to lower, when assessing risks of material misstatement;
- Introduces the concept of inherent risk factors, including complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or other fraud risk factors insofar as they affect inherent risk;
- Introduces the concepts of “significant classes of transactions, account balances and disclosures” and “relevant assertions” to assist with the identification and assessment of the risk of material misstatement;
- Separates the assessment of inherent and control risk;
- Enhances the auditor’s considerations regarding the entity’s use of information technology and how it

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affects the audit, and includes considerations for using automated tools and techniques in the application material;

- Introduces a requirement to "stand back" to evaluate the completeness of the significant classes of transactions, account balances and disclosures at the end of the risk assessment process;
- Uses more explicit language and enhances requirements and application material to reinforce the importance of exercising professional skepticism when performing risk assessment procedures; and
- Clarifies the threshold for identifying possible risks of material misstatement in CAS 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Canadian Auditing Standards*.

As a result of issuing the revised CAS 315, requirements for several other standards have been amended to better articulate the auditor's responsibilities regarding identifying and assessing the risks of material misstatement:

- CAS 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*
- CAS 330 *The Auditor's Responses to Assessed Risks*
- CAS 402 *Audit Considerations Relating to an Entity Using a Service Organization*
- CAS 540 *Auditing Accounting Estimates and Related Disclosures*

The revised CAS 315 and other conforming amendments to other standards are effective for audits of financial statements for periods beginning on or after December 15, 2021. Earlier application is permitted.

CAS 540 Auditing Accounting Estimates and Related Disclosures (New)

In March 2019, the Auditing and Assurance Standards Board (AASB) revised and replaced CAS 540 *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*. The revised CAS 540 incorporates changes to establish more robust requirements and appropriately detailed guidance to foster audit quality by driving auditors to perform appropriate procedures in relation to accounting estimates and related disclosures.

This revised CAS:

- Introduces the concept of inherent risk factors, including estimation uncertainty, complexity, subjectivity and others;
- Introduces a separate assessment of inherent risk and control risk for accounting estimates;
- Explicitly recognizes the spectrum of inherent risk;
- Enhances requirements for risk assessment procedures related to obtaining an understanding of the entity and its environment, including internal control;
- Introduces objectives-based work effort requirements to design and perform further audit procedures to respond to assessed risks of material misstatement;
- Enhances the "stand-back" requirements by adding an evaluation of corroborative and contradictory audit evidence obtained regarding the accounting estimates;
- Enhances requirements to obtain audit evidence about whether the disclosures are reasonable; and
- Includes a requirement to consider matters regarding accounting estimates when communicating with those charged with governance.

As a result of issuing revised CAS 540, the following standards have been amended to clarify the auditor's

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responsibilities regarding auditing accounting estimates and related disclosures:

- CAS 500 *Audit Evidence*;
- CAS 700 *Forming an Opinion and Reporting on Financial Statements*; and
- CAS 701 *Communicating Key Audit Matters in the Independent Auditor's Report*.

Further editorial changes have also been made to other standards as a consequence of revising CAS 540.

The revised CAS 540 is effective for audits of financial statements for periods beginning on or after December 15, 2019. Earlier application is permitted.

Members of Council
Corporation of the Township of Edwardsburgh/Cardinal
P.O. Box 129
18 Centre Street
Spencerville, ON K0E 1X0

Dear Sirs/Mesdames:

We have been engaged to audit the financial statements of Corporation of the Township of Edwardsburgh/Cardinal (the "Municipality") as at December 31, 2023 and for the year then ended.

CAS 260 *Communication With Those Charged With Governance* requires that we communicate with you matters that are significant to our engagement. One such matter is relationships between the Municipality and its related entities or persons in financial reporting oversight roles at the Municipality and MNP LLP and any affiliates ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, the Standard requires us to consider relevant rules and related interpretations prescribed by the appropriate professional accounting body and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client or a related entity;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client or a related entity;
- (d) Economic dependence on a client; and
- (e) Provision of non-assurance services in addition to the audit engagement.

We are not aware of any relationship between the Municipality and MNP that, in our professional judgment, may reasonably be thought to bear on our independence, which have occurred from January 1, 2023 to April 8, 2024.

We hereby confirm that MNP is independent with respect to the Municipality within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario as of April 8, 2024.

This report is intended solely for the use of Members of Council, management and others within the Municipality and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you. We will be prepared to answer any questions you may have regarding our independence as well as other matters.

Sincerely,

encls.

MADE ^{IN} CANADA

And proud of it!

At MNP we're proud to be the national accounting, consulting and tax firm that is 100% Made in Canada.

Our history defines who we are and our approach to business. Being a Canadian firm has helped shape our values, our collaborative approach, and the way we work with our clients, engaging them every step of the way.

We have a unique perspective. Our decisions are made here – decisions that drive Canadian business and help us all achieve success — and we know the impact that our choices have on the cities and towns we call home.

Throughout our six decades of work, we've seen our communities are more than just a place we do business in. They're a place where our families live, play, and thrive, and we work to make them the best places they can be.

Being 100% Canadian is something we wear proudly. This country provides us with great opportunities, and we're here to help our clients seize the opportunities so we can create a brighter future for the generations to come.



Wherever business takes you

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 **PRAXITY**
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