

**CORPORATION OF THE
MUNICIPALITY OF TRENT HILLS**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

**CORPORATION OF THE
MUNICIPALITY OF TRENT HILLS**

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CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

For The Year Ended December 31, 2023

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Municipality of Trent Hills are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Municipality maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Municipality's assets are appropriately accounted for and adequately safeguarded.

The Municipality's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Municipality's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Municipality of Trent Hills. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

The consolidated financial statements have been audited by Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the Municipality. Baker Tilly KDN LLP has full and free access to Council.

A handwritten signature in black ink, appearing to be "John", written over a horizontal line.

Mayor

A handwritten signature in black ink, appearing to be "Valerie", written over a horizontal line.

Director of Finance/Treasurer

June 13, 2024

INDEPENDENT AUDITOR'S REPORT**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Municipality of Trent Hills***Opinion*

We have audited the consolidated financial statements of the Corporation of the Municipality of Trent Hills and its local boards (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statements of operations and accumulated surplus, change in net financial assets/(net debt) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2023, and the results of its consolidated operations and its consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality'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 consolidated 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 Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 22, 2024



CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2023

	2023 \$	2022 \$ Restated (note 23)
FINANCIAL ASSETS		
Cash (note 3)	15,718,114	21,872,329
Investments (note 4)	650,294	627,349
Accounts receivable	6,673,555	1,997,810
Taxes receivable	2,405,347	2,463,612
Inventories held for resale	3,171	3,171
Sponsorships receivable (note 5)	1,340,250	-
TOTAL FINANCIAL ASSETS	26,790,731	26,964,271
LIABILITIES		
Accounts payable and accrued liabilities	3,998,034	2,650,035
Deferred revenue - obligatory reserve funds (note 7)	5,179,727	5,188,591
Deferred revenue - other	1,239,450	1,293,770
Long term debt (note 8)	9,902,806	12,205,631
Landfill post-closure liability	-	230,400
Asset retirement obligation (note 10)	713,686	-
Employee future benefits (note 11)	625,800	579,800
TOTAL LIABILITIES	21,659,503	22,148,227
NET FINANCIAL ASSETS	5,131,228	4,816,044
NON-FINANCIAL ASSETS		
Tangible capital assets (note 13)	111,441,165	98,757,476
Prepaid expenses	355,406	348,545
Inventories of materials and supplies	536,284	444,429
TOTAL NON-FINANCIAL ASSETS	112,332,855	99,550,450
ACCUMULATED SURPLUS (note 14)	117,464,083	104,366,494

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2023

	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$ Restated (note 23)
	(Unaudited)		
REVENUES			
Property taxation	15,636,553	15,640,690	15,223,745
User charges	5,904,418	6,369,299	6,183,302
Government of Canada	3,939,941	3,590,424	391,457
Province of Ontario	9,527,771	7,118,312	3,886,268
Other municipalities	-	4,673	5,978
Penalties and interest on taxes	330,000	384,420	355,977
Investment income	302,707	913,100	438,421
Donations	-	1,417,818	234,818
Capital contributions	-	1,347,704	340,764
Developer contributions earned (note 7)	-	772,201	2,813
Parkland fees earned (note 7)	-	46,326	5,440
Canada Community-Building Fund earned (note 7)	639,632	759,095	409,125
Provincial gas tax earned (note 7)	65,910	49,797	74,257
Gain/(loss) on disposal of tangible capital assets	-	1,268,699	(67,135)
Other	205,950	438,863	403,631
TOTAL REVENUES	36,552,882	40,121,421	27,888,861
EXPENSES			
General government	3,062,204	3,113,204	2,819,741
Protection services	5,384,024	5,278,490	5,164,938
Transportation services	8,816,174	8,473,475	8,521,048
Environmental services	4,533,429	4,899,730	4,608,149
Health services	153,016	95,448	78,846
Recreation and cultural services	3,557,085	3,727,594	3,460,067
Planning and development	1,305,774	1,435,891	1,154,802
TOTAL EXPENSES	26,811,706	27,023,832	25,807,591
ANNUAL SURPLUS	<u>9,741,176</u>	13,097,589	2,081,270
ACCUMULATED SURPLUS - beginning of year		104,366,494	102,285,224
ACCUMULATED SURPLUS - end of year		117,464,083	104,366,494

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)

For the Year Ended December 31, 2023

	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$ Restated (note 23)
	(Unaudited)		
ANNUAL SURPLUS	9,741,176	13,097,589	2,081,270
Amortization of tangible capital assets	5,732,182	6,046,530	5,732,182
Purchase of tangible capital assets	(26,029,051)	(18,497,309)	(6,399,978)
Loss/(gain) on disposal of tangible capital assets	-	(1,268,699)	67,135
Proceeds on sale of tangible capital assets	-	1,494,696	53,619
Change in prepaid expenses	-	(6,861)	(71,353)
Change in inventories of materials and supplies	-	(91,855)	(63,996)
CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)	(10,555,693)	774,091	1,398,879
NET FINANCIAL ASSETS - beginning of year	4,816,044	4,816,044	3,417,165
ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD (note 2)	-	(458,907)	-
NET FINANCIAL ASSETS - beginning of year, as restated	4,816,044	4,357,137	3,417,165
NET FINANCIAL ASSETS/(NET DEBT) - end of year	(5,739,649)	5,131,228	4,816,044

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

	2023 \$	2022 \$ Restated (note 23)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	13,097,589	2,081,270
Items not involving cash		
Amortization of tangible capital assets	6,046,530	5,732,182
Loss/(gain) on disposal of tangible capital assets	(1,268,699)	67,135
Accretion expense	19,779	-
Change in landfill closure liability	(230,400)	(25,600)
Change in asset retirement obligation for closed landfill site	235,000	-
Change in employee future benefits	46,000	31,600
Change in non-cash assets and liabilities		
Accounts receivable	(4,675,745)	(667,946)
Taxes receivable	58,265	(328,517)
Sponsorships receivable	(1,340,250)	-
Prepaid expenses	(6,861)	(71,353)
Inventories of materials and supplies	(91,855)	(63,996)
Accounts payable and accrued liabilities	1,347,999	458,558
Deferred revenue - obligatory reserve funds	(8,864)	1,070,838
Deferred revenue - other	(54,320)	1,038,836
Net change in cash from operating activities	13,174,168	9,323,007
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(18,497,309)	(6,399,978)
Proceeds on disposal of tangible capital assets	1,494,696	53,619
Net change in cash from capital activities	(17,002,613)	(6,346,359)
INVESTING ACTIVITIES		
Investment income on investments	(22,945)	(12,843)
FINANCING ACTIVITIES		
Debt principal repayments - long term debt	(2,302,825)	(1,228,221)
NET CHANGE IN CASH	(6,154,215)	1,735,584
CASH - beginning of year	21,872,329	20,136,745
CASH - end of year	15,718,114	21,872,329

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

The Municipality of Trent Hills is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and which are owned and controlled by the Municipality. These consolidated financial statements include:

- Trent Hills Public Library Board
- Campbellford Business Improvement Area

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Inventories of Materials and Supplies

Inventories of materials and supplies held for consumption are recorded at cost.

(c) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(d) Asset Retirement Obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several of the buildings owned by the Municipality has also been recognized based on estimated future expenses for remediation or disposal.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense and any amounts paid. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined in (f).

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Municipality because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Municipality unless they are sold.

(f) 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. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	7-100 years
Buildings and leaseholds	7-100 years
Roadways, bridges and sidewalks	3-80 years
Water and wastewater networks	7-80 years
Vehicles	7-30 years
Equipment	3-25 years
Pooled equipment	7 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

No amortization is charged in the year of acquisition. Tangible capital assets categorized as assets under construction are not amortized until the year after they are put into service.

Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets.

(g) Use of Estimates

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Municipality's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements or changes in such estimates in future periods could be significant. The Municipality's significant estimates include:

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values;
- The values of employee future benefit obligations and assets and the amount of costs charged to earnings depend on certain actuarial and economic assumptions; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

In addition, the Municipality's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets in conjunction with estimates of expected asset retirement costs, as well as the timing and duration of these retirement costs.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Investments	Fair Value
Accounts receivable	Amortized Cost
Taxes receivable	Amortized Cost
Sponsorships receivable	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Long term debt	Amortized Cost

Fair value category: The Municipality manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

As there are no unrealized gains or losses on financial instruments to report, the Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(i) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Taxation

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Municipality's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Municipality is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

Government Funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Other revenue

User charges are recognized as revenue in the year the goods and services are provided, with the exception of building permits that are recognized when the permits are issued.

Investment income is recorded when earned.

Canada Community-Building Fund, Provincial gas tax, development charges and parkland fees are recognized in the period in which the related expenditures are recorded.

(j) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(k) Trust Funds

Trust funds and their related operations administered by the Municipality are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

2. CHANGES IN ACCOUNTING POLICIES

The Municipality has implemented the following sections which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations were adopted prospectively on January 1, 2023.

PS 1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the Municipality's consolidated financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The adoption of this standard did not have an impact on the Municipality's consolidated financial statements.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Municipality's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments. The adoption of this standard did not have an impact on the Municipality's consolidated financial statements.

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability. The adoption of this standard did not have an impact on the Municipality's consolidated financial statements.

Landfill Obligation

- A decrease of \$230,400 to landfill closure and post-closure liability to remove the liability recognized to December 31, 2022 under the old standard, an increase of \$237,000 to opening asset retirement obligation liability.

Asbestos Obligation

- An increase of \$458,907 to the buildings tangible capital asset account and a corresponding increase to the opening asset retirement obligation liability.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

3. CASH

Cash includes the following restricted and unrestricted amounts:

	2023	2022
	\$	\$
Unrestricted	7,907,229	15,594,699
Restricted	7,810,885	6,277,630
	15,718,114	21,872,329

4. INVESTMENTS

Investments are recorded at fair value and consist of the following:

	2023	2022
	\$	\$
High Interest Savings Portfolio - Hastings Hydro Fund	650,294	627,349

5. SPONSORSHIPS RECEIVABLE

During 2023, the Municipality received various sponsorships for the Sunny Life Recreation and Wellness Centre. The majority of the sponsorships are receivable over a 15 year period.

6. CREDIT FACILITY AGREEMENT

The Municipality has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$4,000,000 via an operating line of credit. Any balance borrowed will accrue interest at the bank's prime lending rate less 0.50% per annum. Council authorized the temporary borrowing limit by By-law 2023-018. At December 31, 2023 there was no balance outstanding (2022 - \$Nil).

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

7. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. 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 Municipality are summarized below:

	2023	2022 Restated (note 23)
	\$	\$
Development charges	4,749,634	4,508,550
Parkland	194,193	203,786
Canada Community-Building Fund	148,010	454,760
Provincial gas tax	87,890	21,495
	5,179,727	5,188,591

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2023	2022 Restated (note 23)
	\$	\$
Balance - beginning of year	5,188,591	4,117,753
Add amounts received:		
Development charges	787,202	960,177
Parkland	28,000	41,166
Canada Community-Building Fund	426,914	409,125
Provincial gas tax	113,271	74,628
Interest	263,168	77,377
	1,618,555	1,562,473
Less transfer to operations:		
Development charges earned	772,201	2,813
Parkland fees earned	46,326	5,440
Canada Community-Building Fund earned	759,095	409,125
Provincial gas tax earned	49,797	74,257
	1,627,419	491,635
Balance - end of year	5,179,727	5,188,591

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

8. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2023 \$	2022 \$
Debenture issued to the Ontario Infrastructure Projects Corporation, repayable in semi-annual blended instalments of \$77,963, interest at 2.72% per annum, due September 15, 2033.	1,357,168	1,473,793
Debenture issued to the Ontario Infrastructure Projects Corporation, repayable in semi-annual principal instalments of \$110,400 plus interest at 3.6% per annum, due December 15, 2031.	1,766,400	1,987,200
Debenture issued to the Ontario Infrastructure Projects Corporation, repayable in semi-annual blended instalments of \$23,561, interest at 4.83% per annum, due February 15, 2027.	150,082	188,556
Debenture issued to the Ontario Infrastructure Projects Corporation, repayable in semi-annual blended instalments of \$16,119, interest at 4.83% per annum, due February 15, 2027.	102,682	129,004
Long term loan issued to Royal Bank of Canada, repayable in monthly blended instalments of \$11,812, interest at 2.65% per annum, due December 21, 2024.	139,724	275,795
Debenture issued to the Ontario Infrastructure Projects Corporation, repayable in semi-annual blended instalments of \$54,247, interest at 2.51% per annum, due October 1, 2026.	311,649	410,456
Long term loan issued to Royal Bank of Canada, repayable in monthly blended instalments of \$5,399, interest at 2.46% per annum, due April 22, 2026.	145,962	206,485
Long term loan issued to Royal Bank of Canada, repayable in monthly blended instalments of \$26,754, interest at 3.11% per annum, due December 16, 2026.	2,017,123	2,271,119
Term loan issued to Royal Bank of Canada, interest repayable monthly at Royal Bank Prime rate per annum, due March 31, 2023.	-	1,231,082
Debenture issued to the Ontario Infrastructure and Lands Corporation, repayable in semi-annual blended instalments of \$120,298, interest at 3.1% per annum, due April 15, 2046.	3,912,016	4,032,141
	9,902,806	12,205,631

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

8. LONG TERM DEBT, continued

(b) The long term debt in (a) issued in the name of the Municipality have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

(c) Interest paid during the year on long term debt amounted to \$383,342 (2022 - \$414,349).

(d) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2024	1,097,119	296,857	1,393,976
2025	979,811	263,976	1,243,787
2026	2,166,016	233,284	2,399,300
2027	524,853	169,899	694,752
2028	493,772	153,438	647,210
2029 and subsequent years	4,641,235	1,052,989	5,694,224
	9,902,806	2,170,443	12,073,249

9. PENSION AGREEMENTS

Certain employees of the Municipality are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2023 Annual Report disclosed total actuarial liabilities of \$136,185 million in respect of benefits accrued for service with actuarial assets of \$131,983 million indicating an actuarial deficit of \$4,202 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit.

The Municipality's required contributions to OMERS in 2023 were \$507,461 (2022 - \$470,639).

Some employees of the Municipality, who are not members of OMERS, are eligible to be members of a contributory pension plan. Employer contributions to the plan by the Municipality during the year amounted to \$61,918 (2022 - \$61,027). These contributions which match the employees' contributions for current service, are expensed during the year in which services are rendered and represent the total pension obligation of the Municipality.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

10. ASSET RETIREMENT OBLIGATION

The Municipality's asset retirement obligation consists of the following:

(a) Landfill obligation

The Municipality owns and operates one landfill site. The liability for the post-closure costs for the site has been recognized under PS 3280 – Asset Retirement Obligations. The costs have been estimated based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 25 years after the closure date using a discount rate of 4.38% and an inflation rate of 3%. For the closed site, there are 22 years of remaining monitoring costs; however, the 25 year estimate could be extended based on the results of the monitoring.

(b) Asbestos obligation

The Municipality owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, the Municipality recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at January 1, 2023. The buildings revised estimated useful lives of between 1 and 60 years. Estimated costs have been discounted to the present value using a discount rate of 4.31% per annum.

Changes to the asset retirement obligation in the year are as follows:

Asset Retirement Obligation	Landfill post-closure \$	Asbestos removal \$	Total \$
Opening balance - January 1, 2023	-	-	-
Adjustment on adoption of the asset retirement obligation standard	237,000	458,907	695,907
Opening balance, as restated	237,000	458,907	695,907
Closure/post-closure costs incurred	(2,000)	-	(2,000)
Accretion expense	-	19,779	19,779
Closing balance	235,000	478,686	713,686

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

11. EMPLOYEE FUTURE BENEFITS

The Municipality provides certain employee benefits which will require payment in future periods. The Municipality provides a defined benefit plan to pay the costs of certain medical and dental benefits for eligible employees after they retire.

The actuarial valuation as at December 31, 2022, was based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases and employee turnover and mortality. Under this method, the benefit costs are recognized over the estimated average remaining service life of the employee group. Any actuarial gains and losses related to the past service of employees and plan improvements are amortized over the estimated average remaining service life of the employee group. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Actuarial assumptions

Discount rate	4.60%
Medical trend rate:	
Initial	8.175%
Ultimate (reached in 2043)	4.50%
Dental trend rate:	
Initial	6.075%
Ultimate (reached in 2043)	4.50%

The change in the employee future benefits payable is reported as an expense on the Consolidated Statement of Operations and Accumulated Surplus.

Details of the change in the liability are as follows:

	2023	2022
	\$	\$
Accrued benefit obligation at January 1	625,100	548,200
Unamortized actuarial gains/(losses)	(45,300)	-
Liability at January 1	579,800	548,200
Current year benefits cost	43,700	32,900
Interest cost	30,000	16,600
Amortization of actuarial loss	4,500	-
Less: benefit payments	(32,200)	(17,900)
Liability at December 31	625,800	579,800

12. CONTINGENT LIABILITIES

The Municipality, in the course of its operations, is often named in lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

13. TANGIBLE CAPITAL ASSETS

The net book value of the Municipality's tangible capital assets are:

	2023	2022
	\$	\$
General		
Land and land improvements	4,637,178	4,832,038
Building and leasehold improvements	24,794,089	24,086,958
Vehicles and equipment	9,852,366	9,458,111
Infrastructure		
Linear - storm	6,387,477	6,502,054
Linear - sanitary	7,154,309	7,217,768
Water distribution	13,645,733	13,165,399
Roadways, bridges and sidewalks	30,113,761	31,382,404
	96,584,913	96,644,732
Assets under construction	14,856,252	2,112,744
	111,441,165	98,757,476

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2022 - \$Nil) and no interest capitalized (2022 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2023	2022
	\$	\$
General government	2,497,845	2,549,108
Protection services	6,988,179	6,934,612
Transportation services	34,590,696	34,294,995
Environmental services	44,444,487	43,172,849
Health services	32,272	1,002
Recreation and cultural services	20,817,331	9,553,934
Planning and development	2,070,355	2,250,976
	111,441,165	98,757,476

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

14. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023	2022 Restated (note 23)
	\$	\$
Surplus/(Deficit)		
Unfunded landfill closure and post-closure costs	-	(230,400)
Unfunded employee future benefits	(625,800)	(579,800)
	(625,800)	(810,200)
Invested In Capital Assets		
Tangible capital assets - net book value	111,441,165	98,757,476
Long term debt	(9,902,806)	(12,205,631)
Unfunded capital - Roads and bridges	(1,387,718)	(1,097,099)
Unfunded capital - Sunny Life Recreation and Wellness Centre	(5,188,087)	(1,341,595)
Unfunded capital - Campbellford potable water supply system upgrades	(2,287,083)	(2,402,235)
Unfunded asset retirement obligation	(713,686)	-
	91,961,785	81,710,916
Surplus	91,335,985	80,900,716
Reserves		
Working capital and contingency	5,011,550	3,108,479
General government	1,540,044	1,672,336
Protection to persons and property	3,271,594	2,784,068
Transportation services	3,771,271	3,690,650
Environmental services	4,897,298	5,051,809
Health services	464,898	451,271
Recreation and culture	2,546,892	2,342,489
Planning and development	1,090,257	1,113,414
Total Reserves	22,593,804	20,214,516
Reserve Funds		
Working capital and contingency	1,025,159	985,342
Corporate	45,988	41,163
Environmental services	2,017,034	1,853,517
Recreation and culture	419,346	345,676
Planning and development	26,767	25,564
Total Reserve Funds	3,534,294	3,251,262
	117,464,083	104,366,494

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

15. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the Municipality assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The Municipality is exposed to the following risks in respect of certain of the financial instruments held:

(a) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss.

The Municipality reduces its exposure to credit risk by creating an allowance for bad debts when applicable. The Municipality monitors and assesses the collectability of accounts receivable based on past experience to derive a net realizable value.

In the opinion of management, the Municipality is not exposed to any significant liquidity, interest rate or currency risk.

16. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
Salaries and benefits	9,733,759	9,392,754	9,115,320
Interest charges	329,822	383,342	414,349
Materials	6,621,953	6,579,797	6,110,627
Contracted services	3,965,199	4,155,293	4,027,687
Rents and financial	59,461	95,973	65,531
External transfers	369,330	370,143	341,895
Amortization	5,732,182	6,046,530	5,732,182
	26,811,706	27,023,832	25,807,591

17. COMMITMENT

The Municipality has committed to design and construction of the Sunny Life Recreation and Wellness Centre at a total cost of \$21,648,700 plus HST. Total costs incurred to December 31, 2023 are \$10,106,041.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

18. SEGMENTED INFORMATION

The Municipality of Trent Hills is a municipal government organization that provides a range of services to its residents. Municipality services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

General Government

General government consists of the activities of Council and general financial and administrative management of the Municipality and its programs and services.

Protection Services

Protection services include police, fire, conservation authority and protective inspection and control.

Transportation Services

The activities of the transportation function include construction and maintenance of the Municipality's roads and bridges, winter control, street lighting and transit services.

Environmental Services

The environmental services function is responsible for providing water and sewer services to the Municipality's ratepayers and includes the costs for closure and post-closure activities of the inactive landfills.

Health Services

The health services function consists of services provided to maintain the Municipality's cemeteries.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and library and other cultural services.

Planning and Development

The planning and development services function manages commercial, industrial and residential development within the Municipality including the Campbellford Business Improvement Area.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

19. BUDGET FIGURES

The budget, approved by the Municipality, for 2023 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets/(Net Debt). The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year’s actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

20. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$455,628 (2022 - \$438,526) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

21. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND

During 2023, requisitions were made by the County of Northumberland and School Boards requiring the Municipality to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxes	3,414,375	9,668,428
Taxation from other governments	8,237	103,748
	3,422,612	9,772,176
Amounts requisitioned and remitted	3,422,612	9,772,176

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

22. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

23. PRIOR PERIOD ADJUSTMENT

The Municipality has restated its financial statements to show water and wastewater capital charges as reserve funds as opposed to obligatory reserve funds. Adjustments necessary to the 2022 financial information as a result of this change are as follows:

Adjustment to Opening 2022 Accumulated Surplus

Accumulated surplus as previously stated	\$ 100,700,704
Water and wastewater capital charges shown as reserve funds	<u>1,584,520</u>
Opening 2022 accumulated surplus as restated	<u>\$ 102,285,224</u>

Adjustment to 2022 Annual Surplus

2022 annual surplus as previously stated	\$ 1,877,967
Add: Water and wastewater capital charges received in 2022	174,764
Interest allocated to water and wastewater reserve fund in 2022	<u>28,539</u>
2022 annual surplus as restated	<u>\$ 2,081,270</u>

Adjustment to 2022 Ending Deferred Revenue - Obligatory Reserve Fund

Deferred revenue - obligatory reserve fund as previously reported	\$ 6,976,414
Cumulative balance of water and wastewater capital charges shown as reserve funds January 1, 2022	(1,584,520)
Water and wastewater capital charges received in 2022	(174,764)
Interest allocated to water and wastewater reserve fund in 2022	<u>(28,539)</u>
Deferred revenue - obligatory reserve fund as restated	<u>\$ 5,188,591</u>

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2023

	General			Infrastructure				Assets Under Construction	Totals
	Land and Land Improvements	Building and Leasehold Improvements	Vehicles and Equipment	Linear - Storm	Linear - Sanitary	Water Distribution	Roadways, Bridges and Sidewalks		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST									
Balance, beginning of year	7,187,648	51,550,444	22,581,522	8,976,333	11,134,346	18,464,762	91,214,070	2,112,744	213,221,869
Add: additions during the year	77,202	1,770,418	1,383,118	-	84,191	730,254	1,708,618	12,743,508	18,497,309
Less: disposals during the year	106,912	10,215	73,133	-	-	-	1,100,748	-	1,291,008
Asset retirement obligation	-	458,907	-	-	-	-	-	-	458,907
Balance, end of year	7,157,938	53,769,554	23,891,507	8,976,333	11,218,537	19,195,016	91,821,940	14,856,252	230,887,077
ACCUMULATED AMORTIZATION									
Balance, beginning of year	2,355,610	27,463,486	13,123,411	2,474,279	3,916,578	5,299,363	59,831,666	-	114,464,393
Add: additions during the year	207,915	1,517,087	980,178	114,577	147,650	249,920	2,829,203	-	6,046,530
Less: disposals during the year	42,765	5,108	64,448	-	-	-	952,690	-	1,065,011
Balance, end of year	2,520,760	28,975,465	14,039,141	2,588,856	4,064,228	5,549,283	61,708,179	-	119,445,912
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	4,637,178	24,794,089	9,852,366	6,387,477	7,154,309	13,645,733	30,113,761	14,856,252	111,441,165

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2023

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	(1,043,243)	4,970,667	7,285,935	210,175	100,366	3,313,734	803,056	15,640,690
User charges	76,630	666,902	77,383	4,786,106	31,700	571,138	159,440	6,369,299
Government transfers - operating	3,332,300	11,877	62,500	-	-	41,767	7,383	3,455,827
Government transfers - capital	-	13,774	828,445	1,396,427	-	4,981,263	33,000	7,252,909
Other municipalities	-	-	4,673	-	-	-	-	4,673
Penalties and interest on taxes	384,420	-	-	-	-	-	-	384,420
Investment income	742,826	-	-	-	8,279	1,947	160,048	913,100
Donations	-	-	-	-	-	1,417,818	-	1,417,818
Capital contributions	-	-	-	83,622	-	-	1,264,082	1,347,704
Developer contributions earned	155,562	192,325	29,011	-	-	395,303	-	772,201
Parkland fees earned	-	-	-	-	-	46,326	-	46,326
Canada Community-Building Fund earned	-	-	734,449	24,646	-	-	-	759,095
Provincial gas tax earned	-	-	49,797	-	-	-	-	49,797
Gain/(loss) on disposal of tangible capital assets	-	-	(148,057)	(8,684)	-	(5,108)	1,430,548	1,268,699
Other	236,788	3,662	59,629	8,421	-	36,487	93,876	438,863
Total revenues	3,885,283	5,859,207	8,983,765	6,500,713	140,345	10,800,675	3,951,433	40,121,421
Expenses								
Salaries and benefits	1,841,365	1,199,742	2,525,219	1,172,330	40,768	1,969,292	644,038	9,392,754
Interest charges	21,721	98,749	29,689	179,663	-	-	53,520	383,342
Materials	864,317	616,170	2,174,553	1,452,648	43,032	1,035,955	393,122	6,579,797
Contracted services	201,220	2,673,155	475,132	496,666	11,398	91,511	206,211	4,155,293
Rents and financial	22,858	14,546	10,474	32,343	-	15,752	-	95,973
External transfers	-	305,540	49,797	-	-	4,906	9,900	370,143
Amortization	204,701	271,248	3,203,861	1,717,032	250	524,571	124,867	6,046,530
Internal transfers	(42,978)	99,340	4,750	(150,952)	-	85,607	4,233	-
Total expenses	3,113,204	5,278,490	8,473,475	4,899,730	95,448	3,727,594	1,435,891	27,023,832
Net surplus	772,079	580,717	510,290	1,600,983	44,897	7,073,081	2,515,542	13,097,589

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE - Restated (note 23)

For the Year Ended December 31, 2022

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	(903,398)	4,946,380	6,919,701	183,488	89,288	3,159,183	829,103	15,223,745
User charges	114,964	673,826	57,725	4,758,203	32,375	414,359	131,850	6,183,302
Government transfers - operating	3,301,300	8,698	38,726	-	-	55,120	11,684	3,415,528
Government transfers - capital	122,531	-	148,540	29,676	-	561,450	-	862,197
Other municipalities	-	-	5,978	-	-	-	-	5,978
Penalties and interest on taxes	355,977	-	-	-	-	-	-	355,977
Investment income	376,650	-	-	-	3,136	889	57,746	438,421
Donations	-	-	-	-	-	234,818	-	234,818
Capital contributions	-	-	-	174,764	-	100,000	66,000	340,764
Developer contributions earned	-	-	2,813	-	-	-	-	2,813
Parkland fees earned	-	-	-	-	-	5,440	-	5,440
Canada Community-Building Fund earned	-	-	409,125	-	-	-	-	409,125
Provincial gas tax earned	-	-	74,257	-	-	-	-	74,257
Gain/(loss) on disposal of tangible capital assets	-	24,016	(81,623)	(9,528)	-	-	-	(67,135)
Other	214,472	168	91,098	10,350	-	50,778	36,765	403,631
Total revenues	3,582,496	5,653,088	7,666,340	5,146,953	124,799	4,582,037	1,133,148	27,888,861
Expenses								
Salaries and benefits	1,738,990	1,323,884	2,512,605	1,103,851	69,212	1,818,263	548,515	9,115,320
Interest charges	22,358	101,648	33,904	204,470	-	2,031	49,938	414,349
Materials	806,084	644,307	2,171,194	1,306,482	9,384	980,483	192,693	6,110,627
Contracted services	141,576	2,530,830	613,218	381,775	-	122,667	237,621	4,027,687
Rents and financial	10,191	5,800	13,950	27,393	-	8,197	-	65,531
External transfers	2,900	226,651	106,911	-	-	4,633	800	341,895
Amortization	146,758	234,018	3,064,645	1,701,398	250	463,675	121,438	5,732,182
Internal transfers	(49,116)	97,800	4,621	(117,220)	-	60,118	3,797	-
Total expenses	2,819,741	5,164,938	8,521,048	4,608,149	78,846	3,460,067	1,154,802	25,807,591
Net surplus/(deficit)	762,755	488,150	(854,708)	538,804	45,953	1,121,970	(21,654)	2,081,270

INDEPENDENT AUDITOR'S REPORT**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Municipality of Trent Hills***Opinion*

We have audited the financial statements of the Trust Funds of the Corporation of the Municipality of Trent Hills (the Trust Funds), which comprise the statement of financial position as at December 31, 2023, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2023, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 22, 2024

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2023

	Cemetery Care and Maintenance \$	Other \$	2023 Total \$	2022 Total \$
FINANCIAL ASSETS				
Cash	205,466	2,762	208,228	189,579
Investments (note 3)	270,111	-	270,111	261,278
	475,577	2,762	478,339	450,857
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to Cemetery	22,711	-	22,711	12,331
FUND BALANCES (note 4)	452,866	2,762	455,628	438,526
	475,577	2,762	478,339	450,857

TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2023

	Cemetery Care and Maintenance \$	Other \$	2023 Total \$	2022 Total \$
BALANCES - beginning of year	435,768	2,758	438,526	424,942
RECEIPTS				
Interest	23,633	39	23,672	8,930
Care and maintenance	17,098	-	17,098	13,581
	40,731	39	40,770	22,511
EXPENSES				
Bursaries and scholarships	-	35	35	35
Transfer to external cemeteries (note 5)	15,363	-	15,363	5,787
Transfer to operations	8,270	-	8,270	3,105
	23,633	35	23,668	8,927
BALANCES - end of year	452,866	2,762	455,628	438,526

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. PURPOSE OF TRUSTS

The Cemetery care and maintenance trust funds administered by the Municipality are funded by the sale of cemetery plots, monuments and markers. These funds are invested and earnings derived there from are used to perform care and maintenance to the cemeteries. The operations and investments of the Fund are in accordance with the regulations of the Funeral, Burial and Cremation Services Act, 2002.

The Other trust administered by the Municipality is funds received to provide bursaries.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which 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.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the Municipality's best information and judgment. Actual results could differ from these estimates.

3. INVESTMENTS

Included in investments are the following recorded at amortized cost:

	2023	2022
	\$	\$
Cemetery Care and Maintenance		
High Interest Savings Portfolio with the One Investment Program	269,923	258,678
Public Trustee investment for Henderson Cemetery	188	188
	<u>270,111</u>	<u>258,866</u>
Other		
GIC due February 27, 2023 with an interest rate of 1.60%	-	2,412
	<u>270,111</u>	<u>261,278</u>

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

4. FUND BALANCES

Included in fund balances are the following:

	2023	2022
	\$	\$
Cemetery Care and Maintenance		
Warkworth Cemetery	152,097	148,967
Stones Cemetery	9,928	8,696
Henderson Cemetery	188	188
English Line Cemetery	24,485	24,085
Hoards United Church Cemetery	12,272	11,972
Trent Valley Cemetery	170,453	163,957
Burnbrae Cemetery	83,443	77,903
	<hr/>	<hr/>
	452,866	435,768
Other Trust Funds		
HABA	2,762	2,758
	<hr/>	<hr/>
	455,628	438,526

5. TRANSFER TO EXTERNAL CEMETERIES

The Municipality has agreed to manage the care and maintenance trust funds for the English Line Cemetery, Hoards United Church Cemetery, Trent Valley Cemetery and Burnbrae Cemetery.

The operations for these Cemeteries remain external to the Municipality. The Municipality transfers any interest earned on the funds annually back to these Cemeteries.

**CORPORATION OF THE MUNICIPALITY OF
TRENT HILLS**

TRENT HILLS PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2023

INDEPENDENT AUDITOR'S REPORT**To the Members of the Trent Hills Public Library Board, the
Members of Council, Inhabitants and Ratepayers of the
Corporation of the Municipality of Trent Hills****T: (705) 742-3418**
F: (705) 742-9775**www.bakertilly.ca***Qualified Opinion*

We have audited the financial statements of the Trent Hills Public Library Board of the Corporation of the Municipality of Trent Hills (the Board), which comprise the statement of financial position as at December 31, 2023, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many Public Library Boards, the Board derives revenue from donations, fines and user fees, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were not able to determine whether any adjustments might be necessary to donations, fines and user fees revenue, annual surplus/(deficit) and cash flows from operations for the years ended December 31, 2023 and 2022, and assets and accumulated surplus as at December 31, 2023 and 2022. Our opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this scope limitation.

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 Board 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 qualified opinion.

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

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

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

Those charged with governance are responsible for overseeing the Board'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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board'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 Board 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 22, 2024

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2023

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash	470	467
Due from Municipality (note 6)	332,443	297,376
Accounts receivable	5,770	3,799
TOTAL FINANCIAL ASSETS	338,683	301,642
LIABILITIES		
Accounts payable and accrued liabilities	26,856	34,491
NET FINANCIAL ASSETS	311,827	267,151
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	230,206	233,808
Prepaid expenses	6,009	921
TOTAL NON-FINANCIAL ASSETS	236,215	234,729
ACCUMULATED SURPLUS (note 3)	548,042	501,880

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
REVENUES			
Municipal contribution (note 6)			
Annual contribution	617,455	617,455	562,897
Development charges earned	-	25,947	-
Provincial grants	32,499	35,257	33,099
Federal grants	1,680	-	2,025
Other grants	-	3,612	3,799
Facilities rental	2,500	2,420	929
User fees	2,750	4,879	3,871
Donations	-	12,899	9,890
Fines	-	61	163
Investment income	-	1,947	889
Sale of books	500	735	655
Non-resident fees	325	505	250
TOTAL REVENUES	657,709	705,717	618,467
EXPENSES			
Salaries and benefits	456,904	455,627	429,978
Utilities	34,300	37,111	36,424
Office	12,950	14,605	13,377
Professional fees	3,562	3,562	3,312
Insurance	28,048	24,544	25,498
Periodicals, e-book fees and other	18,000	24,836	18,953
Contracts	8,725	7,430	6,340
Literacy and connectivity grants	5,720	11,193	6,405
Amortization	44,122	46,462	44,122
Book processing and computer services	33,500	24,917	26,206
Conferences, training and travel	5,500	6,024	3,025
Repairs, maintenance and security	10,500	3,244	10,954
TOTAL EXPENSES	661,831	659,555	624,594
ANNUAL SURPLUS/(DEFICIT)	<u>(4,122)</u>	46,162	(6,127)
ACCUMULATED SURPLUS - beginning of year		501,880	508,007
ACCUMULATED SURPLUS - end of year		548,042	501,880

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
ANNUAL SURPLUS/(DEFICIT)	(4,122)	46,162	(6,127)
Amortization of tangible capital assets	44,122	46,462	44,122
Acquisition of tangible capital assets	(50,500)	(42,860)	(48,705)
Change in prepaid expenses	-	(5,088)	3,723
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(10,500)	44,676	(6,987)
NET FINANCIAL ASSETS - beginning of year	267,151	267,151	274,138
NET FINANCIAL ASSETS - end of year	256,651	311,827	267,151

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2023

	2023	2022
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	46,162	(6,127)
Items not involving cash		
Amortization of tangible capital assets	46,462	44,122
Change in non-cash assets and liabilities		
Due from Municipality	(35,067)	2,245
Accounts receivable	(1,971)	(960)
Prepaid expenses	(5,088)	3,723
Accounts payable and accrued liabilities	(7,635)	5,714
Net change in cash from operating activities	42,863	48,717
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(42,860)	(48,705)
NET CHANGE IN CASH	3	12
CASH - beginning of year	467	455
CASH - end of year	470	467

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Government funding is recognized in the financial statements as revenue in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

User fees and rentals are recognized as revenue in the year the goods and services are provided.

Fines, donations and sale of books are recognized when the amounts are received or receivable if amounts can be determined.

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values.

(c) 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. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Books	7 years
Software and equipment	3-7 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

No amortization is charged in the year of acquisition.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Due from Municipality	Amortized Cost
Accounts receivable	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost

Fair value category: The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

As there are no unrealized gains or losses on financial instruments to report, the Statement of Remeasurement Gains and Losses has not been presented in these financial statements.



CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

(f) Reserves

Certain amounts, as approved by the Board, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective fund when approved.

(g) Inter-Entity Transactions

The Trent Hills Public Library Board is a Board of the Municipality of Trent Hills and is consolidated with the Municipality's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Municipality.

2. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

	Books \$	Software and Equipment \$	2023 Totals \$	2022 Totals \$
COST				
Balance, beginning of year	257,179	149,800	406,979	393,718
Add: additions during the year	41,219	1,641	42,860	48,705
Less: disposals during the year	28,594	-	28,594	35,444
Balance, end of year	269,804	151,441	421,245	406,979
ACCUMULATED AMORTIZATION				
Balance, beginning of year	117,879	55,292	173,171	164,493
Add: additions during the year	32,655	13,807	46,462	44,122
Less: disposals during the year	28,594	-	28,594	35,444
Balance, end of year	121,940	69,099	191,039	173,171
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	147,864	82,342	230,206	233,808

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 2023

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023	2022
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	230,206	233,808
Surplus	230,206	233,808
Reserves		
Bequests	38,751	39,214
General	279,085	228,858
Total Reserves	317,836	268,072
	548,042	501,880

4. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the Board assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

In the opinion of management, the Board is not exposed to any significant liquidity, interest rate, credit or currency risk.

5. PENSION AGREEMENTS

Certain employees of the Board are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2023 Annual Report disclosed total actuarial liabilities of \$136,185 million in respect of benefits accrued for service with actuarial assets of \$131,983 million indicating an actuarial deficit of \$4,202 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Board does not recognize any share of the OMERS pension surplus or deficit.

The Board's required contributions to OMERS in 2023 were \$20,608 (2022 - \$19,360).

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

6. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Municipality of Trent Hills.

As part of the budgeting process, the Municipality approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus.

Details of the inter-entity expense transactions are as follows:

	2023	2022
	\$	\$
Allocated costs:		
Water and sewer	-	3,937
Insurance	24,544	25,498
Professional fees	3,562	3,312
	<hr/>	<hr/>
	28,106	32,747
Unallocated costs:		
Library - Contracted Services	16,141	31,449
	<hr/>	<hr/>
	44,247	64,196

In addition, the following services are provided to the Board by the Municipality at no cost:

- Accounting and administrative services
- Rental of land and buildings
- Buildings and grounds maintenance

All balances with the Municipality of Trent Hills have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

7. BUDGET FIGURES

The operating budget, approved by the Board, for 2023 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

8. CHANGES IN ACCOUNTING POLICIES

The Board has implemented the following sections which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations were adopted prospectively on January 1, 2023.

PS 1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Board's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The adoption of this standard did not have an impact on the Board's financial statements.

**CORPORATION OF THE
MUNICIPALITY OF TRENT HILLS**

CAMPBELLFORD BUSINESS IMPROVEMENT AREA

FINANCIAL STATEMENTS

DECEMBER 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of the Campbellford Business Improvement Area, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Municipality of Trent Hills

Opinion

We have audited the financial statements of the Campbellford Business Improvement Area of the Corporation of the Municipality of Trent Hills (the Board), which comprise the statement of financial position as at December 31, 2023, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2023, and the results of its operations and 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 Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Those charged with governance are responsible for overseeing the Board'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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board'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 Board 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 22, 2024

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA STATEMENT OF FINANCIAL POSITION At December 31, 2023

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash	41,312	70,032
Accounts receivable	-	25,000
HST receivable	733	4,118
TOTAL FINANCIAL ASSETS	42,045	99,150
LIABILITIES		
Accounts payable and accrued liabilities	7,727	61,897
Deferred revenue	3,870	4,350
Due to Municipality of Trent Hills (note 5)	3,592	-
TOTAL LIABILITIES	15,189	66,247
NET FINANCIAL ASSETS	26,856	32,903
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	15,656	22,553
Prepaid expenses	1,931	1,645
TOTAL NON-FINANCIAL ASSETS	17,587	24,198
ACCUMULATED SURPLUS (note 3)	44,443	57,101

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
REVENUES			
Municipal contribution (note 5)	39,800	39,908	40,329
Interest income	700	2,724	1,677
Other grants	-	16,747	8,525
Tourism Relief grant	-	-	100,000
TOTAL REVENUES	40,500	59,379	150,531
EXPENSES			
Secretarial support	18,000	18,000	9,100
Promotion and advertising	3,150	921	3,802
Beautification and streetscape	5,000	6,380	4,426
Sponsorships and special events	2,300	3,435	3,686
Christmas program	3,000	12,118	5,195
Professional fees	1,850	2,391	2,089
Insurance	1,750	1,905	1,827
Office	5,450	2,355	2,029
Grant costs	-	17,635	99,041
Amortization	5,961	6,897	5,961
TOTAL EXPENSES	46,461	72,037	137,156
ANNUAL SURPLUS/(DEFICIT)	<u>(5,961)</u>	(12,658)	13,375
ACCUMULATED SURPLUS - beginning of year		57,101	43,726
ACCUMULATED SURPLUS - end of year		44,443	57,101

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
ANNUAL SURPLUS/(DEFICIT)	(5,961)	(12,658)	13,375
Amortization of tangible capital assets	5,961	6,897	5,961
Acquisition of tangible capital assets	-	-	(17,632)
Change in prepaid expenses	-	(286)	(121)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	-	(6,047)	1,583
NET FINANCIAL ASSETS - beginning of year	32,903	32,903	31,320
NET FINANCIAL ASSETS - end of year	32,903	26,856	32,903

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

	2023	2022
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	(12,658)	13,375
Items not involving cash		
Amortization of tangible capital assets	6,897	5,961
Change in non-cash assets and liabilities		
Accounts receivable	25,000	(25,000)
HST receivable	3,385	(3,715)
Prepaid expenses	(286)	(121)
Accounts payable and accrued liabilities	(54,170)	59,782
Deferred revenue	(480)	4,350
Due to Municipality of Trent Hills	3,592	-
Net change in cash from operating activities	(28,720)	54,632
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	-	(17,632)
NET CHANGE IN CASH	(28,720)	37,000
CASH - beginning of year	70,032	33,032
CASH - end of year	41,312	70,032

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Other grants are recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the organization's best information and judgment. Actual results could differ from these estimates.

(c) 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. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Christmas decorations	3 to 5 years
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Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

No amortization is charged in the year of acquisition. Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

(d) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(e) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

**CAMPBELLFORD BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 2023**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Accounts receivable	Amortized Cost
HST receivable	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Due to Municipality of Trent Hills	Amortized Cost

Fair value category: The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

As there are no unrealized gains or losses on financial instruments to report, the Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Reserves

Certain amounts, as approved by the Board, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective fund when approved.

(h) Inter-Entity Transactions

The Campbellford Business Improvement Area is a Board of the Municipality of Trent Hills and is consolidated with the Municipality's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Municipality.

2. TANGIBLE CAPITAL ASSETS

The net book value of the organization's tangible capital assets are:

	2023 Christmas Decorations and Banners \$	2022 Christmas Decorations and Banners \$
COST		
Balance, beginning of year	49,842	32,210
Add: additions during the year	-	17,632
Balance, end of year	49,842	49,842
ACCUMULATED AMORTIZATION		
Balance, beginning of year	27,289	21,328
Add: additions during the year	6,897	5,961
Balance, end of year	34,186	27,289
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	15,656	22,553

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

**CAMPBELLFORD BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2023**

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023	2022
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	15,656	22,553
Reserve		
General	28,787	34,548
	44,443	57,101

4. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the Board assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

In the opinion of management, the Board is not exposed to any significant liquidity, interest rate, credit or currency risk.

5. INTER-ENTITY TRANSACTIONS

During the year, the organization entered into transactions with the Municipality of Trent Hills.

As part of the budgeting process, the Municipality approves a contribution to the organization which is identified on the Statement of Operations and Accumulated Surplus. The contribution is based on an additional tax levy on the businesses within the geographical boundaries of the Campbellford Business Improvement Area. The Municipality bills the tax levy and contributes this tax levy adjusted for any applicable supplementary tax billing or tax write-off annually to the organization.

The following services are provided to the organization by the Municipality at no cost:

- Accounting services
- Installation and removal of banners and Christmas decorations

All balances with the Municipality of Trent Hills have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

6. BUDGET FIGURES

The operating budget, approved by the Board, for 2023 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year’s actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.



CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

7. CHANGE IN ACCOUNTING POLICY

The Board has implemented the following sections which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations were adopted prospectively on January 1, 2023.

PS 1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Board's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The adoption of this standard did not have an impact on the Board's financial statements.