

**CORPORATION OF THE  
MUNICIPALITY OF TRENT HILLS**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**CORPORATION OF THE  
MUNICIPALITY OF TRENT HILLS**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**TABLE OF CONTENTS**

	Page Number
<b>MANAGEMENT REPORT</b>	
<b>INDEPENDENT AUDITOR'S REPORT</b>	
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Change in Net Debt	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 18
Schedule of Tangible Capital Assets	19
Schedules of Segment Disclosure	20 - 21
<b>TRUST FUNDS</b>	
Independent Auditor's Report	22
Statement of Financial Position	24
Statement of Continuity	24
Notes to the Financial Statements	25 - 26
<b>LOCAL BOARDS</b>	
Trent Hills Public Library Board	27 - 37
Campbellford Business Improvement Area	38 - 47



Come for a visit. Stay for a lifestyle.

## CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

For The Year Ended December 31, 2019

### 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.

Mayor

Director of Finance/ Treasurer

June 16, 2020

**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, 2019, the consolidated statements of operations and accumulated surplus, change in 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, 2019, 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  
June 16, 2020

**CORPORATION OF THE MUNICIPALITY OF  
TRENT HILLS**



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
At December 31, 2019**

	2019 \$	2018 \$ Restated (note 3)
<b>FINANCIAL ASSETS</b>		
Cash (note 4)	12,989,478	13,393,619
Investments (note 5)	610,650	604,982
Accounts receivable	1,423,181	2,134,865
Taxes receivable	2,075,502	1,970,999
Inventories held for resale	8,247	8,924
Loans and notes receivable	26,089	43,962
<b>TOTAL FINANCIAL ASSETS</b>	<b>17,133,147</b>	<b>18,157,351</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	3,350,388	3,467,383
Deferred revenue - obligatory reserve funds (note 8)	3,822,424	3,137,079
Deferred revenue - other	45,458	55,785
Long term debt (note 9)	12,286,835	13,854,212
Landfill closure liability (note 10)	374,000	374,000
Employee future benefits (note 11)	441,300	417,000
<b>TOTAL LIABILITIES</b>	<b>20,320,405</b>	<b>21,305,459</b>
<b>NET DEBT</b>	<b>(3,187,258)</b>	<b>(3,148,108)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 13)	99,608,094	96,232,615
Prepaid expenses	21,885	55,845
Inventories of materials and supplies	441,754	570,401
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>100,071,733</b>	<b>96,858,861</b>
<b>ACCUMULATED SURPLUS (note 14)</b>	<b>96,884,475</b>	<b>93,710,753</b>

*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, 2019**

	Budget 2019 \$	Actual 2019 \$	Actual 2018 \$ Restated (note 3)
	(Unaudited)		
<b>REVENUES</b>			
Property taxation	13,429,949	13,727,439	12,858,899
User charges	5,013,451	5,740,950	5,468,284
Government of Canada	1,960	7,770	1,239,541
Province of Ontario	4,679,919	4,628,989	5,186,407
Other municipalities	150,000	180,088	145,403
Penalties and interest on taxes	324,000	308,539	328,718
Investment income	102,738	337,789	241,302
Donations	6,500	127,911	160,574
Contributed tangible capital assets	-	-	2,122,458
Capital contributions	-	236,000	55,000
Parkland fees earned	-	8,222	-
Federal gas tax earned	391,337	800,263	401,449
Provincial gas tax earned	77,577	91,256	94,459
Gain/(loss) on disposal of tangible capital assets	-	(260,779)	52,501
Other revenue	193,350	385,481	386,387
<b>TOTAL REVENUES</b>	<b>24,370,781</b>	<b>26,319,918</b>	<b>28,741,382</b>
<b>EXPENSES</b>			
General government	2,541,501	2,482,903	2,277,183
Protection services	4,899,711	4,522,568	4,482,668
Transportation services	7,404,522	8,104,944	7,451,323
Environmental services	4,189,220	4,038,074	3,983,121
Health services	93,183	44,039	43,176
Recreation and cultural services	3,046,535	3,055,425	2,891,604
Planning and development	987,389	898,243	823,593
<b>TOTAL EXPENSES</b>	<b>23,162,061</b>	<b>23,146,196</b>	<b>21,952,668</b>
<b>ANNUAL SURPLUS</b>	<b><u>1,208,720</u></b>	<b>3,173,722</b>	<b>6,788,714</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>93,710,753</b>	<b>86,922,039</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>96,884,475</b>	<b>93,710,753</b>

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

**CORPORATION OF THE MUNICIPALITY OF  
TRENT HILLS**



**CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT  
For the Year Ended December 31, 2019**

	Budget 2019 \$	Actual 2019 \$	Actual 2018 \$ Restated (note 3)
	(Unaudited)		
<b>ANNUAL SURPLUS</b>	1,208,720	3,173,722	6,788,714
Amortization of tangible capital assets	4,885,362	5,703,441	4,885,700
Purchase of tangible capital assets	(6,662,417)	(9,382,043)	(8,392,067)
Loss/(gain) on disposal of tangible capital assets	-	260,779	(52,501)
Proceeds on sale of tangible capital assets	-	42,344	83,067
Contributed capital assets	-	-	(2,122,458)
Change in prepaid expenses	-	33,960	(29,126)
Change in inventories of materials and supplies	-	128,647	(48,998)
<b>CHANGE IN NET DEBT</b>	(568,335)	(39,150)	1,112,331
<b>NET DEBT - beginning of year</b>	(3,148,108)	(3,148,108)	(4,260,439)
<b>NET DEBT - end of year</b>	(3,716,443)	(3,187,258)	(3,148,108)

*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, 2019**

	2019 \$	2018 \$ Restated (note 3)
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	3,173,722	6,788,714
Items not involving cash		
Amortization of tangible capital assets	5,703,441	5,667,522
Loss/(gain) on disposal of tangible capital assets	260,779	(52,501)
Contributed capital assets	-	(2,122,458)
Change in employee future benefits	24,300	20,800
Change in non-cash assets and liabilities		
Accounts receivable	711,684	676,835
Taxes receivable	(104,503)	274,606
Inventories held for resale	677	572
Loans and notes receivable	17,873	18,618
Prepaid expenses	33,960	(29,126)
Inventories of materials and supplies	128,647	(48,998)
Accounts payable and accrued liabilities	(116,995)	662,799
Deferred revenue - obligatory reserve funds	685,345	814,446
Deferred revenue - other	(10,327)	(109,174)
<b>Net change in cash from operating activities</b>	<b>10,508,603</b>	<b>12,562,655</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(9,382,043)	(8,392,067)
Proceeds on disposal of tangible capital assets	42,344	83,067
<b>Net change in cash from capital activities</b>	<b>(9,339,699)</b>	<b>(8,309,000)</b>
<b>INVESTING ACTIVITIES</b>		
Investment income on investments	(5,668)	(686)
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments - long term debt	(1,567,377)	(1,367,177)
<b>NET CHANGE IN CASH</b>	<b>(404,141)</b>	<b>2,885,792</b>
<b>CASH - beginning of year</b>	<b>13,393,619</b>	<b>10,507,827</b>
<b>CASH - end of year</b>	<b>12,989,478</b>	<b>13,393,619</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

---

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) 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.

(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. 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	7-50 years
Buildings and leaseholds	7-60 years
Roadways, bridges and sidewalks	3-50 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 they 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.

**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

(d) 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.

Property 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.

Federal and Provincial gas tax, development charges and parkland fees are recognized in the period in which the related expenditures are recorded.

(e) 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.

(f) 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.

**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

(g) 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.

(h) Inventories of Materials and Supplies

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

(i) 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 landfill closure liability depends on estimates of such future costs;
- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates;
- 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.

**2. SUBSEQUENT EVENT**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Municipality's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Municipality's operations. The extent of the impact of this outbreak and related containment measures on the Municipality's operations cannot be reliably estimated at this time.

**3. PRIOR PERIOD ADJUSTMENT**

During 2019 the Municipality identified tangible capital assets that were not previously recorded. As a result, the Municipality has restated its financial statements to include those assets. Adjustments necessary to the 2018 financial information are as follows:

**Adjustment to 2018 Ending Tangible Capital Assets**

Net book value of assets previously reported to December 31, 2018	\$ 93,732,311
Assets not previously recorded	7,265,427
Accumulated amortization to December 31, 2018, on assets not previously recorded	<u>(4,765,123)</u>
Net book value of tangible capital assets as restated	<u>\$ 96,232,615</u>

**Adjustment to Opening 2018 Accumulated Surplus**

Accumulated surplus as previously stated	\$ 83,639,913
Net book value of tangible capital assets added at January 1, 2018	<u>3,282,126</u>
Opening 2018 accumulated surplus as restated	<u>\$ 86,922,039</u>

**Adjustment to 2018 Annual Surplus**

2018 annual surplus as previously stated	\$ 7,570,536
Less: Additional 2018 amortization expense on assets not previously recorded	<u>(781,822)</u>
2018 annual surplus as restated	<u>\$ 6,788,714</u>

**4. CASH**

Cash includes the following restricted and unrestricted amounts:

	2019	2018
	\$	\$
Unrestricted	9,058,956	10,410,130
Restricted	3,930,522	2,983,489
	<u>12,989,478</u>	<u>13,393,619</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

**5. INVESTMENTS**

Investments are recorded at cost and consist of the following:

	2019	2018
	\$	\$
High Interest Savings Portfolio - Hastings Hydro Fund	610,650	604,982

**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 2019-002. At December 31, 2019 there was no balance outstanding (2018 - \$Nil).

**7. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND**

During 2019, 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	3,605,028	8,036,374
Taxation from other governments	2,247	57,165
	<b>3,607,275</b>	<b>8,093,539</b>
<b>Amounts requisitioned and remitted</b>	<b>3,607,275</b>	<b>8,093,539</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

**8. 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:

	2019 \$	2018 \$
Development charges	3,585,483	2,914,527
Parkland	120,414	95,967
Federal gas tax	59,506	58,434
Provincial gas tax	57,021	68,151
	<b>3,822,424</b>	<b>3,137,079</b>

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

	2019 \$	2018 \$
Balance - beginning of year	3,137,079	2,322,633
Add amounts received:		
Development charges	606,365	780,722
Parkland	30,500	21,750
Federal gas tax	800,263	401,449
Provincial gas tax	77,577	69,321
Interest	70,381	37,112
	<b>1,585,086</b>	<b>1,310,354</b>
Less transfer to operations:		
Parkland fees earned	8,222	-
Federal gas tax earned	800,263	401,449
Provincial gas tax earned	91,256	94,459
	<b>899,741</b>	<b>495,908</b>
Balance - end of year	<b>3,822,424</b>	<b>3,137,079</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

**9. LONG TERM DEBT**

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

	2019 \$	2018 \$
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.	1,805,348	1,910,027
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.	2,649,600	2,870,400
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.	293,548	325,335
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.	200,836	222,584
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.	663,044	785,439
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.	692,510	781,934
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, 2021.	379,600	434,320
Long term loan issued to Royal Bank of Canada, repayable in monthly blended instalments of \$45,498, interest at 2.40% per annum, due April 22, 2022.	1,237,746	1,747,383
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.	2,987,432	3,211,746
Term loan issued to Royal Bank of Canada, interest repayable monthly at Royal Bank Prime rate per annum, due March 31, 2021.	1,351,082	1,521,082
Long term loan issued to Royal Bank of Canada, repayable in semi-annual blended instalments of \$9,047, interest at 3.99% per annum, due April 25, 2021.	26,089	42,645
Province of Ontario financed tile drainage debentures to be recovered from landowners.	-	1,317
	<b>12,286,835</b>	<b>13,854,212</b>

**9. 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 \$418,363 (2018 - \$454,548).
- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2020	1,478,555	360,915	1,839,470
2021	3,020,063	313,342	3,333,405
2022	1,052,295	234,555	1,286,850
2023	891,096	205,812	1,096,908
2024	911,620	177,698	1,089,318
2025 and subsequent years	4,933,206	487,850	5,421,056
	<b>12,286,835</b>	<b>1,780,172</b>	<b>14,067,007</b>

**10. LANDFILL CLOSURE LIABILITY**

The landfill closure liability is the estimated cost to close the site including grading, final cover and vegetation. Since the site has been inactive for over 23 years, no additional costs for ongoing monitoring have been included. The liability was calculated using the 2016 estimate and has not been adjusted for inflation or discounted. The landfill is expected to be closed by December 31, 2020.

**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 January 1, 2019 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	2.90%
Medical trend rate:	
Initial	8.25%
Ultimate (reached in 2036)	4.00%
Dental trend rate:	
Initial	5.50%
Ultimate (reached in 2025)	4.00%

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:

	2019	2018
	\$	\$
Accrued benefit obligation at January 1	417,000	396,200
Liability at January 1	417,000	396,200
Current year benefits cost	25,100	24,200
Interest cost	13,800	14,000
Amortization of actuarial gain	(3,100)	-
Less: benefit payments	(11,500)	(17,400)
Liability at December 31	441,300	417,000

**12. CONTINGENT LIABILITIES**

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

**13. TANGIBLE CAPITAL ASSETS**

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

	2019	2018
	\$	Restated (note 3) \$
General		
Land and land improvements	5,272,592	5,352,968
Building and leasehold improvements	21,419,049	19,106,836
Vehicles and equipment	7,334,971	4,395,471
Infrastructure		
Linear - storm	5,969,538	6,115,474
Linear - sanitary	6,725,505	6,906,397
Water distribution	14,471,437	13,448,841
Roadways, bridges and sidewalks	32,173,248	34,165,234
	93,366,340	89,491,221
Assets under construction	6,241,754	6,741,394
	99,608,094	96,232,615

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

During the year there were no write-downs of assets (2018 - \$Nil) and no interest capitalized (2018 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2019	2018
	\$	\$
General government	1,822,306	1,934,646
Protection services	4,104,862	1,314,381
Transportation services	37,418,242	37,638,426
Environmental services	45,760,868	44,517,848
Health services	1,752	2,002
Recreation and cultural services	7,989,275	8,248,983
Planning and development	2,510,789	2,576,329
	99,608,094	96,232,615

**CORPORATION OF THE MUNICIPALITY OF  
TRENT HILLS**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

**14. ACCUMULATED SURPLUS**

(a) Accumulated surplus consists of the following:

	2019	2018 Restated (note 3)
	\$	\$
<b>Surplus/(Deficit)</b>		
Unfunded landfill closure and post-closure costs	(374,000)	(374,000)
Unfunded employee future benefits	(441,300)	(417,000)
	(815,300)	(791,000)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	99,608,094	96,232,615
Unfunded capital - Firehall	(2,911,480)	(86,072)
Unfunded capital - Water Tower	(3,863,535)	(2,417,584)
Long term debt	(12,260,746)	(13,810,250)
	80,572,333	79,918,709
<b>Surplus</b>	79,757,033	79,127,709
<b>Reserves</b>		
Working capital and contingency	3,453,018	2,072,723
General government	546,934	414,187
Protection to persons and property	2,647,005	1,992,105
Transportation services	2,914,570	3,284,046
Environmental services	3,664,606	3,351,938
Health services	299,843	235,532
Recreation and culture	1,382,819	1,240,724
Planning and development	818,855	655,759
<b>Total Reserves</b>	15,727,650	13,247,014
<b>Reserve Funds</b>		
Working capital and contingency	1,006,634	993,871
Environmental services	63,610	62,464
Recreation and culture	304,795	255,388
Planning and development	24,753	24,307
<b>Total Reserve Funds</b>	1,399,792	1,336,030
	96,884,475	93,710,753

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

**15. BUDGET FIGURES**

The budget, approved by the Municipality, for 2019 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in 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.

**16. TRUST FUNDS**

Trust funds administered by the Municipality amounting to \$410,548 (2018 - \$403,114) 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.

**17. EXPENSES BY OBJECT**

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

	Budget 2019 \$	Actual 2019 \$	Actual 2018 \$ Restated (note 3)
	(Unaudited)		
Salaries and benefits	8,059,408	7,761,831	7,158,467
Interest charges	472,166	418,363	454,548
Materials	5,729,806	5,296,918	4,871,862
Contracted services	3,708,945	3,587,077	3,476,163
Rents and financial	41,777	62,302	41,017
External transfers	264,597	316,264	283,089
Amortization	4,885,362	5,703,441	5,667,522
	<b>23,162,061</b>	<b>23,146,196</b>	<b>21,952,668</b>

## **18. 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 2019 Annual Report disclosed total actuarial liabilities of \$107,687 million in respect of benefits accrued for service with actuarial assets of \$104,290 million indicating an actuarial deficit of \$3,397 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 2019 were \$395,321 (2018 - \$340,662).

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 \$64,087 (2018 - \$63,472). These contributions which match the employee's contributions for current service, are expensed during the year in which services are rendered and represent the total pension obligation of the Municipality.

## **19. 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.

**19. SEGMENTED INFORMATION, continued**

**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



## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2019

	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		
	\$	\$	\$	\$	\$	\$	\$	\$	
<b>COST</b>									
Balance, beginning of year, restated (note 3)	6,904,691	41,202,420	16,394,597	8,185,322	10,314,018	17,787,191	88,267,226	6,741,394	195,796,859
Add: additions during the year	114,060	15,396	1,595,274	-	-	1,190,569	1,158,710	5,308,034	9,382,043
Less: disposals during the year	-	29,120	1,170,758	-	-	-	1,804,018	-	3,003,896
Internal transfers	-	3,546,456	2,149,351	(39,578)	(44,653)	73,174	122,924	(5,807,674)	-
<b>Balance, end of year</b>	<b>7,018,751</b>	<b>44,735,152</b>	<b>18,968,464</b>	<b>8,145,744</b>	<b>10,269,365</b>	<b>19,050,934</b>	<b>87,744,842</b>	<b>6,241,754</b>	<b>202,175,006</b>
<b>ACCUMULATED AMORTIZATION</b>									
Balance, beginning of year, restated (note 3)	1,551,723	22,095,584	11,999,126	2,069,848	3,407,621	4,338,350	54,101,992	-	99,564,244
Add: additions during the year	194,436	1,249,639	805,125	106,358	136,239	241,147	2,970,497	-	5,703,441
Less: disposals during the year	-	29,120	1,170,758	-	-	-	1,500,895	-	2,700,773
<b>Balance, end of year</b>	<b>1,746,159</b>	<b>23,316,103</b>	<b>11,633,493</b>	<b>2,176,206</b>	<b>3,543,860</b>	<b>4,579,497</b>	<b>55,571,594</b>	<b>-</b>	<b>102,566,912</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>5,272,592</b>	<b>21,419,049</b>	<b>7,334,971</b>	<b>5,969,538</b>	<b>6,725,505</b>	<b>14,471,437</b>	<b>32,173,248</b>	<b>6,241,754</b>	<b>99,608,094</b>

# CORPORATION OF THE MUNICIPALITY OF TRENT HILLS



## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2019

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	(954,363)	4,518,950	6,193,039	306,483	83,691	2,862,873	716,766	13,727,439
User charges	144,452	531,230	72,931	4,396,771	20,841	468,282	106,443	5,740,950
Government transfers - operating	3,823,816	10,195	57,380	-	-	35,861	12,189	3,939,441
Government transfers - capital	-	-	336,535	310,648	-	9,800	40,335	697,318
Other municipalities	-	46,183	133,905	-	-	-	-	180,088
Penalties and interest on taxes	308,539	-	-	-	-	-	-	308,539
Investment income	302,908	-	-	-	3,313	712	30,856	337,789
Donations	-	250	-	-	255	124,851	2,555	127,911
Capital contributions	-	-	-	-	-	-	236,000	236,000
Parkland fees earned	-	-	-	-	-	8,222	-	8,222
Federal gas tax earned	-	-	391,337	408,926	-	-	-	800,263
Provincial gas tax earned	-	-	91,256	-	-	-	-	91,256
Gain/(loss) on disposal of tangible capital assets	7,943	-	(273,940)	1,292	-	3,926	-	(260,779)
Other revenue	253,270	13,921	52,023	10,133	-	14,446	41,688	385,481
<b>Total revenues</b>	<b>3,886,565</b>	<b>5,120,729</b>	<b>7,054,466</b>	<b>5,434,253</b>	<b>108,100</b>	<b>3,528,973</b>	<b>1,186,832</b>	<b>26,319,918</b>
<b>Expenses</b>								
Salaries and benefits	1,452,367	996,392	2,342,692	1,015,611	36,136	1,498,485	420,148	7,761,831
Interest charges	-	-	47,793	275,830	-	36,436	58,304	418,363
Materials	737,063	616,032	1,682,030	1,163,201	5,070	930,059	163,463	5,296,918
Contracted services	82,118	2,455,987	557,139	301,307	2,583	88,964	98,979	3,587,077
Rents and financial	13,851	6,725	13,784	25,285	-	2,657	-	62,302
External transfers	-	190,008	91,256	-	-	-	35,000	316,264
Amortization	187,357	160,075	3,366,055	1,447,972	250	423,822	117,910	5,703,441
Internal transfers	10,147	97,349	4,195	(191,132)	-	75,002	4,439	-
<b>Total expenses</b>	<b>2,482,903</b>	<b>4,522,568</b>	<b>8,104,944</b>	<b>4,038,074</b>	<b>44,039</b>	<b>3,055,425</b>	<b>898,243</b>	<b>23,146,196</b>
<b>Net surplus/(deficit)</b>	<b>1,403,662</b>	<b>598,161</b>	<b>(1,050,478)</b>	<b>1,396,179</b>	<b>64,061</b>	<b>473,548</b>	<b>288,589</b>	<b>3,173,722</b>

# CORPORATION OF THE MUNICIPALITY OF TRENT HILLS



## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2018

Restated (note 3)

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	(1,387,794)	4,397,978	5,980,665	302,983	64,451	2,867,783	632,833	12,858,899
User charges	123,190	573,416	29,819	4,174,207	31,655	426,326	109,671	5,468,284
Government transfers - operating	3,217,000	21,571	3,360	-	-	69,885	-	3,311,816
Government transfers - capital	-	-	370,124	2,732,276	-	8,400	3,332	3,114,132
Other municipalities	-	125,000	20,403	-	-	-	-	145,403
Penalties and interest on taxes	328,718	-	-	-	-	-	-	328,718
Investment income	229,737	-	-	-	2,657	339	8,569	241,302
Donations	-	19,994	-	-	475	115,105	25,000	160,574
Contributed tangible capital assets	-	-	873,253	1,249,205	-	-	-	2,122,458
Capital contributions	-	-	-	-	-	-	55,000	55,000
Federal gas tax earned	-	-	401,449	-	-	-	-	401,449
Provincial gas tax earned	-	-	94,459	-	-	-	-	94,459
Gain/(loss) on disposal of tangible capital assets	-	-	44,540	(1,039)	-	9,000	-	52,501
Other revenue	263,582	-	52,502	9,212	-	14,705	46,386	386,387
<b>Total revenues</b>	<b>2,774,433</b>	<b>5,137,959</b>	<b>7,870,574</b>	<b>8,466,844</b>	<b>99,238</b>	<b>3,511,543</b>	<b>880,791</b>	<b>28,741,382</b>
<b>Expenses</b>								
Salaries and benefits	1,318,404	917,538	2,159,736	993,162	29,383	1,377,823	362,421	7,158,467
Interest charges	-	-	51,797	297,187	-	48,494	57,070	454,548
Materials	641,868	685,662	1,302,674	1,153,240	11,710	866,478	210,230	4,871,862
Contracted services	124,299	2,407,083	468,787	280,165	611	124,402	70,816	3,476,163
Rents and financial	16,161	3,826	8,448	9,507	-	3,075	-	41,017
External transfers	-	173,786	94,459	-	-	960	13,884	283,089
Amortization	165,213	196,246	3,361,551	1,439,827	1,472	397,759	105,454	5,667,522
Internal transfers	11,238	98,527	3,871	(189,967)	-	72,613	3,718	-
<b>Total expenses</b>	<b>2,277,183</b>	<b>4,482,668</b>	<b>7,451,323</b>	<b>3,983,121</b>	<b>43,176</b>	<b>2,891,604</b>	<b>823,593</b>	<b>21,952,668</b>
<b>Net surplus</b>	<b>497,250</b>	<b>655,291</b>	<b>419,251</b>	<b>4,483,723</b>	<b>56,062</b>	<b>619,939</b>	<b>57,198</b>	<b>6,788,714</b>

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Board of Directors of 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, 2019, 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, 2019, 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  
June 16, 2020

**CORPORATION OF THE MUNICIPALITY OF  
TRENT HILLS**



**TRUST FUNDS  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2019**

	Cemetery Perpetual Care \$	Other \$	2019 Total \$	2018 Total \$
<b>FINANCIAL ASSETS</b>				
Cash	174,312	336	174,648	173,864
Investments (note 3)	239,282	2,412	241,694	235,831
	413,594	2,748	416,342	409,695
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to Cemetery	5,794	-	5,794	6,581
<b>FUND BALANCES</b> (note 4)	407,800	2,748	410,548	403,114
	413,594	2,748	416,342	409,695

**TRUST FUNDS  
STATEMENT OF CONTINUITY  
For the Year Ended December 31, 2019**

	Cemetery Perpetual Care \$	Other \$	2019 Total \$	2018 Total \$
<b>BALANCES - beginning of year</b>	400,370	2,744	403,114	395,542
<b>RECEIPTS</b>				
Interest	9,701	39	9,740	5,284
Care and maintenance	7,430	-	7,430	7,570
	17,131	39	17,170	12,854
<b>EXPENSES</b>				
Bursaries and scholarships	-	35	35	50
Transfer to external cemeteries	6,418	-	6,418	464
Transfer to operations	3,283	-	3,283	4,768
	9,701	35	9,736	5,282
<b>BALANCES - end of year</b>	407,800	2,748	410,548	403,114

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

**TRUST FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

---

**1. PURPOSE OF TRUSTS**

The Cemetery Perpetual Care trusts administered by the Municipality are funded by the sale of cemetery plots. These funds are invested and earnings derived there from are used to perform perpetual care maintenance to the cemeteries. The operations and investments of the Fund are in accordance with the regulations of the Cemeteries Act.

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 cost:

	2019	2018
	\$	\$
GIC due February 27, 2023 with an interest rate of 1.60%	2,412	2,412
Public Trustee investment for Henderson Cemetery	188	188
High Interest Savings Portfolio with the One Investment Program	239,094	233,231
	<b>241,694</b>	<b>235,831</b>

**TRUST FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

**4. FUND BALANCES**

Included in fund balances are the following:

	2019	2018
	\$	\$
<b>Cemetery Trust Funds</b>		
Warkworth Cemetery	138,269	136,969
Stones Cemetery	8,296	8,296
Henderson Cemetery	188	188
English Line Cemetery	22,105	21,545
Hoards United Church Cemetery	11,171	11,171
Trent Valley Cemetery	151,043	145,473
Burnbrae Cemetery	76,728	76,728
	<b>407,800</b>	<b>400,370</b>
<b>Other Trust Funds</b>		
Hastings Area Betterment Association	2,748	2,744

**5. CEMETERY PERPETUAL CARE**

The Municipality has agreed to manage the perpetual care trust funds for the English Line Cemetery, Hoard's 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 perpetual care trust funds annually back to these Cemeteries.

**CORPORATION OF THE MUNICIPALITY OF  
TRENT HILLS**

**TRENT HILLS PUBLIC LIBRARY BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**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***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, 2019, 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, 2019, 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, assets and accumulated surplus.

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  
June 16, 2020

**CORPORATION OF THE MUNICIPALITY OF  
TRENT HILLS**



**TRENT HILLS PUBLIC LIBRARY BOARD  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2019**

	2019	2018
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	358	358
Due from Municipality (note 4)	283,621	220,449
<b>TOTAL FINANCIAL ASSETS</b>	283,979	220,807
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	43,141	34,773
<b>NET FINANCIAL ASSETS</b>	240,838	186,034
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 2)	147,974	131,835
Prepaid expenses	3,816	3,783
<b>TOTAL NON-FINANCIAL ASSETS</b>	151,790	135,618
<b>ACCUMULATED SURPLUS (note 3)</b>	392,628	321,652

---

*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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
<b>REVENUES</b>			
Municipal contribution (note 4)	535,609	535,609	522,431
Provincial grants	32,499	33,099	34,937
Federal grants	1,960	1,890	1,761
Other grants	-	3,872	171
Facilities rental	3,000	3,500	3,190
User fees	2,500	4,744	4,426
Donations	-	9,684	21,642
Fines	1,500	2,080	2,394
Investment income	-	712	339
Sale of books	1,000	702	1,033
Non-resident fees	400	450	125
<b>TOTAL REVENUES</b>	<b>578,468</b>	<b>596,342</b>	<b>592,449</b>
<b>EXPENSES</b>			
Salaries and benefits	357,393	342,011	323,852
Utilities	42,990	33,567	38,769
Office	11,650	9,112	10,379
Professional fees	3,700	3,561	3,562
Insurance	21,505	21,488	21,084
Periodicals, e-book fees and other	4,725	7,808	6,939
Contracts	38,505	24,149	30,401
Literacy and connectivity grants	3,500	4,182	1,633
Amortization	36,344	36,910	36,344
Book processing and computer services	33,980	27,091	30,905
Conferences, training and travel	5,500	3,911	3,693
Repairs, maintenance and security	13,000	11,576	7,245
<b>TOTAL EXPENSES</b>	<b>572,792</b>	<b>525,366</b>	<b>514,806</b>
<b>ANNUAL SURPLUS</b>	<b><u>5,676</u></b>	<b>70,976</b>	<b>77,643</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>321,652</b>	<b>244,009</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>392,628</b>	<b>321,652</b>

*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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
<b>ANNUAL SURPLUS</b>	5,676	70,976	77,643
Amortization of tangible capital assets	36,344	36,910	36,344
Acquisition of tangible capital assets	(42,020)	(53,049)	(36,691)
Change in prepaid expenses	-	(33)	(379)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	-	54,804	76,917
<b>NET FINANCIAL ASSETS - beginning of year</b>	186,034	186,034	109,117
<b>NET FINANCIAL ASSETS - end of year</b>	186,034	240,838	186,034

*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, 2019**

	2019	2018
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	70,976	77,643
Items not involving cash		
Amortization of tangible capital assets	36,910	36,344
Change in non-cash assets and liabilities		
Due from Municipality	(63,172)	(80,670)
Prepaid expenses	(33)	(379)
Accounts payable and accrued liabilities	8,368	5,594
Deferred revenue	-	(1,838)
<b>Net change in cash from operating activities</b>	<b>53,049</b>	<b>36,694</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(53,049)	(36,691)
<b>NET CHANGE IN CASH</b>	<b>-</b>	<b>3</b>
<b>CASH - beginning of year</b>	<b>358</b>	<b>355</b>
<b>CASH - end of year</b>	<b>358</b>	<b>358</b>

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

**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 and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(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. 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.

(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.

**TRENT HILLS PUBLIC LIBRARY BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

---

**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 \$	2019 Totals \$	2018 Totals \$
<b>COST</b>				
Balance, beginning of year	262,294	37,753	300,047	296,447
Add: additions during the year	29,601	23,448	53,049	36,691
Less: disposals during the year	42,674	4,554	47,228	47,532
Balance, end of year	249,221	56,647	305,868	285,606
<b>ACCUMULATED AMORTIZATION</b>				
Balance, beginning of year	142,209	26,003	168,212	164,959
Add: additions during the year	31,375	5,535	36,910	36,344
Less: disposals during the year	42,674	4,554	47,228	47,532
Balance, end of year	130,910	26,984	157,894	153,771
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>118,311</b>	<b>29,663</b>	<b>147,974</b>	<b>131,835</b>

---

**TRENT HILLS PUBLIC LIBRARY BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

**3. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2019	2018
	\$	\$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	147,974	131,835
<b>Surplus</b>	147,974	131,835
<b>Reserves</b>		
Bequests	34,538	28,757
Literacy	684	1,120
General	209,432	159,940
<b>Total Reserves</b>	244,654	189,817
	<b>392,628</b>	<b>321,652</b>

**4. 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:

Allocated costs:		
Water and sewer	4,414	3,864
Insurance	21,488	21,084
Professional fees	3,561	3,562
	<b>29,463</b>	<b>28,510</b>

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

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.

**5. BUDGET FIGURES**

The operating budget, approved by the Board, for 2019 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.

**6. SUBSEQUENT EVENT**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Board's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Board's operations. The extent of the impact of this outbreak and related containment measures on the Board's operations cannot be reliably estimated at this time.

**CORPORATION OF THE MUNICIPALITY OF  
TRENT HILLS**

**CAMPBELLFORD BUSINESS IMPROVEMENT AREA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**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**

**Baker Tilly KDN LLP**  
272 Charlotte St.  
Peterborough, ON  
Canada K9J 2V4

**T: (705) 742-3418**  
**F: (705) 742-9775**

**[www.bakertilly.ca](http://www.bakertilly.ca)**

*Opinion*

We have audited the financial statements of the Campbellford Business Improvement Area of the Corporation of the Municipality of Trent Hills (the organization), which comprise the statement of financial position as at December 31, 2019, 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 organization as at December 31, 2019, 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 organization 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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 organization'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 organization'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 organization 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  
June 16, 2020

**CORPORATION OF THE MUNICIPALITY OF  
TRENT HILLS**



**CAMPBELLFORD BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2019**

	2019	2018
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	43,028	16,264
HST receivable	631	3,071
<b>TOTAL FINANCIAL ASSETS</b>	<b>43,659</b>	<b>19,335</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	8,946	2,942
Due to Municipality	-	162
<b>TOTAL LIABILITIES</b>	<b>8,946</b>	<b>3,104</b>
<b>NET FINANCIAL ASSETS</b>	<b>34,713</b>	<b>16,231</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 3)	20,932	20,970
Prepaid expenses	2,504	2,474
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>23,436</b>	<b>23,444</b>
<b>ACCUMULATED SURPLUS (note 4)</b>	<b>58,149</b>	<b>39,675</b>

---

*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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
<b>REVENUES</b>			
Municipal contribution (note 5)	40,000	39,794	39,838
Interest income	-	792	1,543
Other grants	-	9,397	-
<b>TOTAL REVENUES</b>	<b>40,000</b>	<b>49,983</b>	<b>41,381</b>
<b>EXPENSES</b>			
Contribution to Municipality for Town Square	-	-	25,000
Secretarial support	9,000	9,000	9,000
Promotion and advertising	11,245	4,823	10,869
Beautification and streetscape	7,500	-	7,431
Sponsorships and special events	4,000	9,720	1,927
Christmas program	3,827	-	-
Training	500	-	2,043
Professional fees	1,750	1,819	1,819
Insurance	1,728	1,723	417
Office	450	230	425
Amortization	407	4,194	407
<b>TOTAL EXPENSES</b>	<b>40,407</b>	<b>31,509</b>	<b>59,338</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>(407)</u></b>	<b>18,474</b>	<b>(17,957)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>39,675</b>	<b>57,632</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>58,149</b>	<b>39,675</b>

*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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(407)	18,474	(17,957)
Amortization of tangible capital assets	407	4,194	407
Acquisition of tangible capital assets	-	(4,156)	(20,970)
Change in prepaid expenses	-	(30)	(2,474)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	-	18,482	(40,994)
<b>NET FINANCIAL ASSETS - beginning of year</b>	16,231	16,231	57,225
<b>NET FINANCIAL ASSETS - end of year</b>	16,231	34,713	16,231

*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, 2019**

	2019	2018
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus/(deficit)	18,474	(17,957)
Items not involving cash		
Amortization of tangible capital assets	4,194	407
Change in non-cash assets and liabilities		
HST receivable	2,440	(2,774)
Prepaid expenses	(30)	(2,474)
Accounts payable and accrued liabilities	6,004	(21)
Due to Municipality	(162)	(9,838)
<b>Net change in cash from operating activities</b>	<b>30,920</b>	<b>(32,657)</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(4,156)	(20,970)
<b>NET CHANGE IN CASH</b>	<b>26,764</b>	<b>(53,627)</b>
<b>CASH - beginning of year</b>	<b>16,264</b>	<b>69,891</b>
<b>CASH - end of year</b>	<b>43,028</b>	<b>16,264</b>

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

**CAMPBELLFORD BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

---

**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 organization 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. 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
-----------------------	--------------

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) Non-Financial Assets

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

(e) Reserves

Certain amounts, as approved by the organization, 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.

**CAMPBELLFORD BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

---

**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

(f) Inter-Entity Transactions

The Campbellford Business Improvement Area is a organization 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. BUDGET FIGURES**

The operating budget, approved by the organization, for 2019 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.

**3. TANGIBLE CAPITAL ASSETS**

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

	2019 Christmas Decorations and Banners \$	2018 Christmas Decorations and Banners \$
<b>COST</b>		
Balance, beginning of year	28,054	7,084
Add: additions during the year	4,156	20,970
Balance, end of year	32,210	28,054
<b>ACCUMULATED AMORTIZATION</b>		
Balance, beginning of year	7,084	6,677
Add: additions during the year	4,194	407
Balance, end of year	11,278	7,084
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>20,932</b>	<b>20,970</b>

**CAMPBELLFORD BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2019**

**4. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2019	2018
	\$	\$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	20,932	20,970
<b>Surplus</b>	20,932	20,970
<b>Reserve</b>		
General	37,217	18,705
	<b>58,149</b>	<b>39,675</b>

**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.

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

	2019	2018
	\$	\$
Allocated costs:		
Contribution to Municipality for Town Square	-	25,000

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. SUBSEQUENT EVENT**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the organization's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the organization's operations. The extent of the impact of this outbreak and related containment measures on the organization's operations cannot be reliably estimated at this time.