

**CORPORATION OF THE
MUNICIPALITY OF TRENT HILLS**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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MUNICIPALITY OF TRENT HILLS**

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CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

For The Year Ended December 31, 2021

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

April 26, 2022

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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, 2021, 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, 2021, 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
April 26, 2022



CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash (note 3)	20,136,745	13,228,463
Investments (note 4)	614,506	611,415
Accounts receivable	1,329,864	1,156,189
Taxes receivable	2,135,095	2,272,533
Inventories held for resale	3,171	7,984
Loans and notes receivable	-	8,866
TOTAL FINANCIAL ASSETS	24,219,381	17,285,450
LIABILITIES		
Accounts payable and accrued liabilities	2,191,477	2,525,991
Deferred revenue - obligatory reserve funds (note 7)	5,702,273	4,119,691
Deferred revenue - other	254,934	221,467
Long term debt (note 8)	13,433,852	10,738,279
Landfill post-closure liability (note 9)	256,000	230,800
Employee future benefits (note 10)	548,200	467,800
TOTAL LIABILITIES	22,386,736	18,304,028
NET FINANCIAL ASSETS/(NET DEBT)	1,832,645	(1,018,578)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 12)	98,210,434	98,728,006
Prepaid expenses	277,192	218,161
Inventories of materials and supplies	380,433	396,098
TOTAL NON-FINANCIAL ASSETS	98,868,059	99,342,265
ACCUMULATED SURPLUS (note 13)	100,700,704	98,323,687

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Property taxation	14,564,627	14,527,679	14,030,261
User charges	5,259,085	5,802,883	5,501,130
Government of Canada	2,100	26,833	35,203
Province of Ontario	3,942,852	4,210,104	4,238,936
Penalties and interest on taxes	324,000	341,847	271,142
Investment income	98,395	121,145	144,776
Donations	6,500	101,206	45,933
Donated tangible capital assets	-	474,615	-
Capital contributions	-	66,000	186,000
Developer contributions earned	-	65,631	376,446
Federal gas tax earned	409,425	409,125	391,337
Provincial gas tax earned	58,199	71,253	63,506
Other	192,050	283,540	254,383
TOTAL REVENUES	24,857,233	26,501,861	25,539,053
EXPENSES			
General government	2,774,766	2,685,908	2,540,621
Protection services	5,229,616	5,095,047	4,907,166
Transportation services	8,538,105	7,531,013	8,485,053
Environmental services	4,378,155	4,469,275	4,322,887
Health services	90,745	41,774	78,587
Recreation and cultural services	3,166,846	3,336,238	2,839,931
Planning and development	1,080,434	965,589	925,596
TOTAL EXPENSES	25,258,667	24,124,844	24,099,841
ANNUAL SURPLUS/(DEFICIT)	<u>(401,434)</u>	2,377,017	1,439,212
ACCUMULATED SURPLUS - beginning of year		98,323,687	96,884,475
ACCUMULATED SURPLUS - end of year		100,700,704	98,323,687

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
ANNUAL SURPLUS/(DEFICIT)	(401,434)	2,377,017	1,439,212
Amortization of tangible capital assets	5,756,986	5,746,681	5,756,986
Purchase of tangible capital assets	(6,666,766)	(5,411,432)	(5,241,742)
Loss on disposal of tangible capital assets	-	626,657	364,844
Proceeds on sale of tangible capital assets	-	30,281	-
Contributed capital assets	-	(474,615)	-
Change in prepaid expenses	-	(59,031)	(196,276)
Change in inventories of materials and supplies	-	15,665	45,656
CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)	(1,311,214)	2,851,223	2,168,680
NET DEBT - beginning of year	(1,018,578)	(1,018,578)	(3,187,258)
NET FINANCIAL ASSETS/(NET DEBT) - end of year	(2,329,792)	1,832,645	(1,018,578)

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, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	2,377,017	1,439,212
Items not involving cash		
Amortization of tangible capital assets	5,746,681	5,756,986
Loss on disposal of tangible capital assets	626,657	364,844
Contributed capital assets	(474,615)	-
Change in landfill closure liability	25,200	(143,200)
Change in employee future benefits	80,400	26,500
Change in non-cash assets and liabilities		
Accounts receivable	(173,675)	266,992
Taxes receivable	137,438	(197,031)
Inventories held for resale	4,813	263
Loans and notes receivable	8,866	17,223
Prepaid expenses	(59,031)	(196,276)
Inventories of materials and supplies	15,665	45,656
Accounts payable and accrued liabilities	(334,514)	(824,397)
Deferred revenue - obligatory reserve funds	1,582,582	297,267
Deferred revenue - other	33,467	176,009
Net change in cash from operating activities	9,596,951	7,030,048
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(5,411,432)	(5,241,742)
Proceeds on disposal of tangible capital assets	30,281	-
Net change in cash from capital activities	(5,381,151)	(5,241,742)
INVESTING ACTIVITIES		
Investment income on investments	(3,091)	(765)
FINANCING ACTIVITIES		
Long term debt issued	4,205,732	-
Debt principal repayments - long term debt	(1,510,159)	(1,548,556)
Net change in cash from financing activities	2,695,573	(1,548,556)
NET CHANGE IN CASH	6,908,282	238,985
CASH - beginning of year	13,228,463	12,989,478
CASH - end of year	20,136,745	13,228,463

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, 2021

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. 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.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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.

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.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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 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.

2. UNCERTAINTY CAUSED BY COVID-19

In March 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. CASH

Cash includes the following restricted and unrestricted amounts:

	2021	2020
	\$	\$
Unrestricted	15,244,118	8,586,693
Restricted	4,892,627	4,641,770
	20,136,745	13,228,463

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

4. INVESTMENTS

Investments are recorded at cost and consist of the following:

	2021	2020
	\$	\$
High Interest Savings Portfolio - Hastings Hydro Fund	614,506	611,415

5. 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 2021-002. At December 31, 2021 there was no balance outstanding (2020 - \$Nil).

6. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND

During 2021, 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	3,296,543	8,561,025
Taxation from other governments	5,518	82,230
	3,302,061	8,643,255
Amounts requisitioned and remitted	3,302,061	8,643,255

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

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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:

	2021	2020
	\$	\$
Development charges	5,063,690	3,865,984
Parkland	164,806	140,921
Federal gas tax	453,778	60,149
Provincial gas tax	19,999	52,637
	5,702,273	4,119,691

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

	2021	2020
	\$	\$
Balance - beginning of year	4,119,691	3,822,424
Add amounts received:		
Development charges	1,236,132	615,611
Parkland	23,000	19,000
Federal gas tax	802,429	391,337
Provincial gas tax	38,140	58,199
Interest	28,890	44,409
	2,128,591	1,128,556
Less transfer to operations:		
Development charges earned	65,631	376,446
Federal gas tax earned	409,125	391,337
Provincial gas tax earned	71,253	63,506
	546,009	831,289
Balance - end of year	5,702,273	4,119,691

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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:

	2021 \$	2020 \$
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.	1,587,310	1,697,802
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.	2,208,000	2,428,800
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.	225,236	260,207
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.	154,099	178,025
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.	408,311	537,364
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.	506,829	600,827
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.	265,822	323,520
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.	181,087	715,747
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.	2,517,345	2,756,039
Term loan issued to Royal Bank of Canada, interest repayable monthly at Royal Bank Prime rate per annum, due March 31, 2022.	1,231,082	1,231,082
Long term loan, Royal Bank of Canada, due April 25, 2021.	-	8,866
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.	4,148,731	-
	13,433,852	10,738,279

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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 \$372,348 (2020 - \$360,352).

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

	Principal \$	Interest \$	Total \$
2022	2,458,871	364,443	2,823,314
2023	1,071,592	330,699	1,402,291
2024	1,097,259	297,441	1,394,700
2025	980,258	264,254	1,244,512
2026	2,166,013	233,307	2,399,320
2027 and subsequent years	5,659,859	1,376,326	7,036,185
	13,433,852	2,866,470	16,300,322

9. LANDFILL POST-CLOSURE LIABILITY

The estimated liability for landfill post-closure costs for the one site the Municipality owns is \$256,000 (2020 - \$230,800). Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The landfill post-closure liability will be funded from taxation. There are no specific assets designated for settling this liability.

The site was covered and closed in 2020. The reported liability at Decemebr 31, 2021 is based upon estimates and assumptions with respect to events extending over the remaining period required to monitor the site using a discount factor of 2.68% and an inflation rate of 2.0%.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

10. 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, 2019, with a revision for a plan amendment in 2021, 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	6.99%
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:

	2021	2020
	\$	\$
Accrued benefit obligation at January 1	466,300	439,300
Unamortized actuarial gains	1,500	2,000
Liability at January 1	467,800	441,300
Current year benefits cost	32,000	26,000
Interest cost	15,700	13,300
Amortization of actuarial gain	(1,500)	(500)
Plan amendment (retiree benefit plan)	51,100	-
Less: benefit payments	(16,900)	(12,300)
Liability at December 31	548,200	467,800

11. 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, 2021

12. TANGIBLE CAPITAL ASSETS

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

	2021	2020
	\$	\$
General		
Land and land improvements	4,928,037	5,330,201
Building and leasehold improvements	24,904,848	25,692,304
Vehicles and equipment	8,468,234	8,203,163
Infrastructure		
Linear - storm	6,352,680	6,481,140
Linear - sanitary	7,265,665	7,502,039
Water distribution	13,358,098	13,620,992
Roadways, bridges and sidewalks	30,246,049	31,623,542
	95,523,611	98,453,381
Assets under construction	2,686,823	274,625
	98,210,434	98,728,006

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

During the year there were no write-downs of assets (2020 - \$Nil) and no interest capitalized (2020 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2021	2020
	\$	\$
General government	1,865,665	1,758,852
Protection services	6,504,283	6,745,401
Transportation services	35,343,835	34,733,652
Environmental services	44,255,722	45,309,045
Health services	1,252	1,502
Recreation and cultural services	7,909,828	7,782,071
Planning and development	2,329,849	2,397,483
	98,210,434	98,728,006

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

13. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
Surplus/(Deficit)		
Unfunded landfill closure and post-closure costs	(256,000)	(230,800)
Unfunded employee future benefits	(548,200)	(467,800)
	(804,200)	(698,600)
Invested In Capital Assets		
Tangible capital assets - net book value	98,210,434	98,728,006
Long term debt	(13,433,852)	(10,729,413)
Unfunded capital - Firehall	-	(4,205,732)
Unfunded capital - Roads and bridges	(1,227,169)	(461,210)
Unfunded capital - Water Tower	(2,538,020)	(2,624,187)
	81,011,393	80,707,464
Surplus	80,207,193	80,008,864
Reserves		
Working capital and contingency	2,895,057	2,795,014
General government	1,529,939	1,421,356
Protection to persons and property	2,907,649	2,111,836
Transportation services	4,201,364	3,703,652
Environmental services	4,162,038	3,812,265
Health services	405,068	340,443
Recreation and culture	1,841,031	1,834,099
Planning and development	1,158,641	924,203
Total Reserves	19,100,787	16,942,868
Reserve Funds		
Working capital and contingency	969,657	964,650
Corporate	38,034	34,633
Environmental services	64,645	64,298
Recreation and culture	295,233	283,354
Planning and development	25,155	25,020
Total Reserve Funds	1,392,724	1,371,955
	100,700,704	98,323,687

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

14. BUDGET FIGURES

The budget, approved by the Municipality, for 2021 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.

15. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$424,942 (2020 - \$415,234) 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.

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 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
Salaries and benefits	8,759,845	8,421,708	7,980,129
Interest charges	382,700	372,348	360,352
Materials	6,283,629	4,904,296	5,466,669
Contracted services	3,757,042	3,667,334	3,844,311
Rents and financial	51,961	86,591	43,673
External transfers	266,504	299,229	282,877
Amortization	5,756,986	5,746,681	5,756,986
Loss (gain) on disposal of tangible capital assets	-	626,657	364,844
	25,258,667	24,124,844	24,099,841

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

17. 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 2021 Annual Report disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets of \$117,665 million indicating an actuarial deficit of \$3,131 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 2021 were \$417,580 (2020 - \$400,655).

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 \$66,413 (2020 - \$64,413). 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.

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.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

18. 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.

19. COMPARATIVE FIGURES

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

20. COMMITMENTS

The Municipality has committed to the purchase of several vehicles, including a Fire Pumper truck, a tandem truck, two half ton and one 3/4 ton extended cab truck, at a total cost of \$887,155 plus HST which were not received before December 31, 2021.

The Municipality has committed to site preparation work at the Campbellford Recreation and Wellness Centre at a cost of \$737,352 plus HST. No costs were incurred prior to December 31, 2021.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2021

	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	7,275,747	50,355,535	20,325,501	8,765,649	11,181,242	18,442,840	88,558,787	274,625	205,179,926
Add: additions during the year	52,868	637,001	1,121,591	33,388	-	-	1,629,001	2,412,198	5,886,047
Less: disposals during the year	250,000	-	357,122	82,735	132,064	25,976	1,384,796	-	2,232,693
Balance, end of year	7,078,615	50,992,536	21,089,970	8,716,302	11,049,178	18,416,864	88,802,992	2,686,823	208,833,280
ACCUMULATED AMORTIZATION									
Balance, beginning of year	1,945,546	24,663,231	12,122,338	2,284,509	3,679,203	4,821,848	56,935,245	-	106,451,920
Add: additions during the year	205,032	1,424,457	856,520	113,368	147,616	249,672	2,750,016	-	5,746,681
Less: disposals during the year	-	-	357,122	34,255	43,306	12,754	1,128,318	-	1,575,755
Balance, end of year	2,150,578	26,087,688	12,621,736	2,363,622	3,783,513	5,058,766	58,556,943	-	110,622,846
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	4,928,037	24,904,848	8,468,234	6,352,680	7,265,665	13,358,098	30,246,049	2,686,823	98,210,434

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2021

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	(1,120,002)	4,984,392	6,718,598	176,100	82,475	2,949,165	736,951	14,527,679
User charges	93,266	661,254	65,028	4,585,802	22,635	242,748	132,150	5,802,883
Government transfers - operating	3,402,600	48,387	22,995	-	-	189,902	49,400	3,713,284
Government transfers - capital	-	7,700	515,953	-	-	-	-	523,653
Penalties and interest on taxes	341,847	-	-	-	-	-	-	341,847
Investment income	111,946	-	-	-	1,039	241	7,919	121,145
Donations	-	100	-	-	-	101,106	-	101,206
Donated tangible capital assets	-	-	-	-	-	474,615	-	474,615
Capital contributions	-	-	-	-	-	-	66,000	66,000
Developer contributions earned	-	-	65,631	-	-	-	-	65,631
Federal gas tax earned	-	-	409,125	-	-	-	-	409,125
Provincial gas tax earned	-	-	71,253	-	-	-	-	71,253
Other	148,170	132	83,188	10,037	-	5,369	36,644	283,540
Total revenues	2,977,827	5,701,965	7,951,771	4,771,939	106,149	3,963,146	1,029,064	26,501,861
Expenses								
Salaries and benefits	1,746,290	1,242,710	2,243,975	1,061,541	33,697	1,648,185	445,310	8,421,708
Interest charges	11,412	51,884	38,723	228,755	-	11,318	30,256	372,348
Materials	713,752	650,121	1,455,154	1,102,951	6,301	824,938	151,079	4,904,296
Contracted services	59,369	2,559,841	349,876	393,570	1,526	93,982	209,170	3,667,334
Rents and financial	37,569	4,253	14,658	22,468	-	7,643	-	86,591
External transfers	-	200,912	88,261	-	-	4,456	5,600	299,229
Amortization	170,138	284,101	3,110,250	1,625,647	250	435,793	120,502	5,746,681
Loss (gain) on disposal of tangible capital assets	-	-	226,196	150,461	-	250,000	-	626,657
Internal transfers	(52,622)	101,225	3,920	(116,118)	-	59,923	3,672	-
Total expenses	2,685,908	5,095,047	7,531,013	4,469,275	41,774	3,336,238	965,589	24,124,844
Net surplus	291,919	606,918	420,758	302,664	64,375	626,908	63,475	2,377,017

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2020

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	(1,140,669)	4,676,459	6,496,758	256,483	83,006	2,931,245	726,979	14,030,261
User charges	77,012	489,683	44,093	4,533,469	20,038	237,335	99,500	5,501,130
Government transfers - operating	3,252,598	116,230	35,179	-	14,127	203,414	4,886	3,626,434
Government transfers - capital	-	-	332,782	307,184	-	-	7,739	647,705
Penalties and interest on taxes	271,142	-	-	-	-	-	-	271,142
Investment income	124,861	-	-	-	1,766	390	17,759	144,776
Donations	-	1,500	-	-	-	44,433	-	45,933
Capital contributions	-	-	-	-	-	-	186,000	186,000
Developer contributions earned	-	376,446	-	-	-	-	-	376,446
Federal gas tax earned	-	-	391,337	-	-	-	-	391,337
Provincial gas tax earned	-	-	63,506	-	-	-	-	63,506
Other	176,357	2,305	54,100	4,080	-	8,732	8,809	254,383
Total revenues	2,761,301	5,662,623	7,417,755	5,101,216	118,937	3,425,549	1,051,672	25,539,053
Expenses								
Salaries and benefits	1,611,202	1,124,465	2,346,626	1,052,511	46,020	1,366,413	432,892	7,980,129
Interest charges	-	-	43,671	252,798	-	25,393	38,490	360,352
Materials	698,453	749,527	1,757,839	1,185,754	6,309	901,356	167,431	5,466,669
Contracted services	103,308	2,582,986	607,939	300,577	26,008	62,321	161,172	3,844,311
Rents and financial	16,214	5,689	13,573	5,498	-	2,699	-	43,673
External transfers	-	193,602	86,116	-	-	3,159	-	282,877
Amortization	167,087	148,944	3,260,499	1,626,628	250	431,372	122,206	5,756,986
Loss (gain) on disposal of tangible capital assets	-	-	364,844	-	-	-	-	364,844
Internal transfers	(55,643)	101,953	3,946	(100,879)	-	47,218	3,405	-
Total expenses	2,540,621	4,907,166	8,485,053	4,322,887	78,587	2,839,931	925,596	24,099,841
Net surplus/(deficit)	220,680	755,457	(1,067,298)	778,329	40,350	585,618	126,076	1,439,212

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, 2021, 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, 2021, 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
April 26, 2022

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2021

	Cemetery Care and Maintenance \$	Other \$	2021 Total \$	2020 Total \$
FINANCIAL ASSETS				
Cash	186,444	343	186,787	176,885
Investments (note 3)	242,287	2,412	244,699	244,636
	428,731	2,755	431,486	421,521
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to Cemetery	6,544	-	6,544	6,287
FUND BALANCES (note 4)	422,187	2,755	424,942	415,234
	428,731	2,755	431,486	421,521

TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2021

	Cemetery Care and Maintenance \$	Other \$	2021 Total \$	2020 Total \$
BALANCES - beginning of year	412,483	2,751	415,234	410,548
RECEIPTS				
Interest	2,489	39	2,528	5,436
Care and maintenance	9,704	-	9,704	4,683
	12,193	39	12,232	10,119
EXPENSES				
Bursaries and scholarships	-	35	35	35
Transfer to external cemeteries (note 5)	1,452	-	1,452	3,635
Transfer to operations	1,037	-	1,037	1,763
	2,489	35	2,524	5,433
BALANCES - end of year	422,187	2,755	424,942	415,234

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, 2021

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 cost:

	2021	2020
	\$	\$
Cemetery Care and Maintenance		
High Interest Savings Portfolio with the One Investment Program	242,099	242,036
Public Trustee investment for Henderson Cemetery	188	188
	<u>242,287</u>	<u>242,224</u>
Other		
GIC due February 27, 2023 with an interest rate of 1.60%	2,412	2,412
	<u>244,699</u>	<u>244,636</u>

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

4. FUND BALANCES

Included in fund balances are the following:

	2021	2020
	\$	\$
Cemetery Care and Maintenance		
Warkworth Cemetery	143,268	139,568
Stones Cemetery	8,296	8,296
Henderson Cemetery	188	188
English Line Cemetery	22,815	22,715
Hoards United Church Cemetery	11,521	11,171
Trent Valley Cemetery	159,371	153,817
Burnbrae Cemetery	76,728	76,728
	422,187	412,483
Other Trust Funds		
HABA	2,755	2,751
	424,942	415,234

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, 2021

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, 2021, 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, 2021, 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), 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
April 26, 2022

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	455	384
Due from Municipality (note 4)	299,621	326,014
Accounts receivable	2,839	3,780
TOTAL FINANCIAL ASSETS	302,915	330,178
LIABILITIES		
Accounts payable and accrued liabilities	28,777	49,522
NET FINANCIAL ASSETS	274,138	280,656
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	229,225	228,533
Prepaid expenses	4,644	4,471
TOTAL NON-FINANCIAL ASSETS	233,869	233,004
ACCUMULATED SURPLUS (note 3)	508,007	513,660

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Municipal contribution (note 4)	543,661	543,661	551,481
Provincial grants	32,499	33,099	33,818
Federal grants	2,100	2,887	3,780
Other grants	-	3,353	506
Facilities rental	2,500	150	935
User fees	2,750	3,329	1,306
Donations	-	10,634	2,186
Fines	1,000	86	332
Investment income	-	241	390
Sale of books	500	51	128
Non-resident fees	325	300	175
TOTAL REVENUES	585,335	597,791	595,037
EXPENSES			
Salaries and benefits	384,717	407,506	303,164
Utilities	39,300	31,211	29,448
Office	11,830	16,900	10,374
Professional fees	3,562	3,562	3,562
Insurance	25,291	23,326	21,992
Periodicals, e-book fees and other	12,405	22,370	12,628
Contracts	8,605	7,310	6,687
Literacy and connectivity grants	3,500	6,750	2,887
Amortization	39,936	43,537	39,936
Book processing and computer services	34,720	31,460	29,901
Conferences, training and travel	5,500	3,014	4,323
Repairs, maintenance and security	14,000	6,498	9,103
TOTAL EXPENSES	583,366	603,444	474,005
ANNUAL SURPLUS/(DEFICIT)	<u>1,969</u>	(5,653)	121,032
ACCUMULATED SURPLUS - beginning of year		513,660	392,628
ACCUMULATED SURPLUS - end of year		508,007	513,660

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
ANNUAL SURPLUS/(DEFICIT)	1,969	(5,653)	121,032
Amortization of tangible capital assets	39,936	43,537	39,936
Acquisition of tangible capital assets	(61,010)	(44,229)	(120,495)
Change in prepaid expenses	-	(173)	(655)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(19,105)	(6,518)	39,818
NET FINANCIAL ASSETS - beginning of year	280,656	280,656	240,838
NET FINANCIAL ASSETS - end of year	261,551	274,138	280,656

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, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	(5,653)	121,032
Items not involving cash		
Amortization of tangible capital assets	43,537	39,936
Change in non-cash assets and liabilities		
Due from Municipality	26,393	(42,393)
Accounts receivable	941	(3,780)
Prepaid expenses	(173)	(655)
Accounts payable and accrued liabilities	(20,745)	6,381
Net change in cash from operating activities	44,300	120,521
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(44,229)	(120,495)
NET CHANGE IN CASH	71	26
CASH - beginning of year	384	358
CASH - end of year	455	384

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, 2021

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.

(d) 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

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) 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.

(f) 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 \$	2021 Totals \$	2020 Totals \$
COST				
Balance, beginning of year	248,643	137,128	385,771	305,868
Add: additions during the year	39,619	4,610	44,229	120,495
Less: disposals during the year	32,242	4,040	36,282	40,592
Balance, end of year	256,020	137,698	393,718	385,771
ACCUMULATED AMORTIZATION				
Balance, beginning of year	123,140	34,098	157,238	157,894
Add: additions during the year	30,914	12,623	43,537	39,936
Less: disposals during the year	32,242	4,040	36,282	40,592
Balance, end of year	121,812	42,681	164,493	157,238
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	134,208	95,017	229,225	228,533

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	229,225	228,533
Surplus	229,225	228,533
Reserves		
Bequests	35,828	31,198
Literacy	-	623
General	242,954	253,306
Total Reserves	278,782	285,127
	508,007	513,660

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:

	2021	2020
	\$	\$
Allocated costs:		
Water and sewer	3,120	3,030
Insurance	23,326	21,992
Professional fees	3,562	3,562
	30,008	28,584

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.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

5. BUDGET FIGURES

The operating budget, approved by the Board, for 2021 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. UNCERTAINTY CAUSED BY COVID-19

In March 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, 2021

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, 2021, 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, 2021, 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
April 26, 2022

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	33,032	32,354
HST receivable	403	1,174
TOTAL FINANCIAL ASSETS	33,435	33,528
LIABILITIES		
Accounts payable and accrued liabilities	2,115	1,969
Deferred revenue	-	2,344
Due to Municipality of Trent Hills (note 5)	-	19,000
TOTAL LIABILITIES	2,115	23,313
NET FINANCIAL ASSETS	31,320	10,215
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	10,882	15,907
Prepaid expenses	1,524	1,344
TOTAL NON-FINANCIAL ASSETS	12,406	17,251
ACCUMULATED SURPLUS (note 3)	43,726	27,466

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Municipal contribution (note 5)	39,800	36,978	-
Interest income	600	240	571
Other grants	-	2,343	8,259
TOTAL REVENUES	40,400	39,561	8,830
EXPENSES			
Secretarial support	9,000	8,250	9,000
Promotion and advertising	12,200	114	5,761
Beautification and streetscape	9,000	-	6,444
Sponsorships and special events	2,000	5,071	8,732
Christmas program	4,170	1,033	500
Professional fees	1,850	1,819	1,819
Insurance	1,750	1,775	1,743
Office	430	214	489
Amortization	5,025	5,025	5,025
TOTAL EXPENSES	45,425	23,301	39,513
ANNUAL SURPLUS/(DEFICIT)	<u>(5,025)</u>	16,260	(30,683)
ACCUMULATED SURPLUS - beginning of year		27,466	58,149
ACCUMULATED SURPLUS - end of year		43,726	27,466

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
ANNUAL SURPLUS/(DEFICIT)	(5,025)	16,260	(30,683)
Amortization of tangible capital assets	5,025	5,025	5,025
Change in prepaid expenses	-	(180)	1,160
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	-	21,105	(24,498)
NET FINANCIAL ASSETS - beginning of year	10,215	10,215	34,713
NET FINANCIAL ASSETS - end of year	10,215	31,320	10,215

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, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	16,260	(30,683)
Items not involving cash		
Amortization of tangible capital assets	5,025	5,025
Change in non-cash assets and liabilities		
HST receivable	771	(543)
Prepaid expenses	(180)	1,160
Accounts payable and accrued liabilities	146	(2,374)
Deferred revenue	(2,344)	(2,259)
Due to Municipality of Trent Hills	(19,000)	19,000
NET CHANGE IN CASH	678	(10,674)
CASH - beginning of year	32,354	43,028
CASH - end of year	33,032	32,354

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, 2021

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
-----------------------	--------------

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, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(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 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:

	2021 Christmas Decorations and Banners \$	2020 Christmas Decorations and Banners \$
COST		
Balance, beginning of year	32,210	32,210
Balance, end of year	32,210	32,210
ACCUMULATED AMORTIZATION		
Balance, beginning of year	16,303	11,278
Add: additions during the year	5,025	5,025
Balance, end of year	21,328	16,303
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	10,882	15,907

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	10,882	15,907
Reserve		
General	32,844	11,559
	43,726	27,466

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2021 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.

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. UNCERTAINTY CAUSED BY COVID-19

In March 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.