

**CORPORATION OF THE
MUNICIPALITY OF TRENT HILLS**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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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, 2022

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

May 9, 2023

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, 2022, the consolidated statements of operations and accumulated surplus, change in net financial assets 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, 2022, 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
May 16, 2023



CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash (note 2)	21,872,329	20,136,745
Investments (note 3)	627,349	614,506
Accounts receivable	1,997,810	1,329,864
Taxes receivable	2,463,612	2,135,095
Inventories held for resale	3,171	3,171
TOTAL FINANCIAL ASSETS	26,964,271	24,219,381
LIABILITIES		
Accounts payable and accrued liabilities	2,650,035	2,191,477
Deferred revenue - obligatory reserve funds (note 6)	6,976,414	5,702,273
Deferred revenue - other	1,293,770	254,934
Long term debt (note 7)	12,205,631	13,433,852
Landfill post-closure liability (note 8)	230,400	256,000
Employee future benefits (note 9)	579,800	548,200
TOTAL LIABILITIES	23,936,050	22,386,736
NET FINANCIAL ASSETS	3,028,221	1,832,645
NON-FINANCIAL ASSETS		
Tangible capital assets (note 11)	98,757,476	98,210,434
Prepaid expenses	348,545	277,192
Inventories of materials and supplies	444,429	380,433
TOTAL NON-FINANCIAL ASSETS	99,550,450	98,868,059
ACCUMULATED SURPLUS (note 12)	102,578,671	100,700,704

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Property taxation	15,141,932	15,223,745	14,527,679
User charges	5,539,116	6,183,302	5,802,883
Government of Canada	1,497,000	391,457	26,833
Province of Ontario	4,496,099	3,886,268	4,210,104
Other municipalities	-	5,978	-
Penalties and interest on taxes	330,000	355,977	341,847
Investment income	121,595	409,882	121,145
Donations	-	234,818	101,206
Donated tangible capital assets	-	-	474,615
Capital contributions	-	166,000	66,000
Developer contributions earned	-	2,813	65,631
Parkland fees earned	-	5,440	-
Canada Community-Building Fund earned	409,125	409,125	409,125
Provincial gas tax earned	38,140	74,257	71,253
Other	184,764	403,631	283,540
TOTAL REVENUES	27,757,771	27,752,693	26,501,861
EXPENSES			
General government	2,961,743	2,819,741	2,685,908
Protection services	5,316,863	5,140,922	5,095,047
Transportation services	8,520,977	8,602,671	7,531,013
Environmental services	4,411,762	4,617,677	4,469,275
Health services	127,338	78,846	41,774
Recreation and cultural services	3,391,536	3,460,067	3,336,238
Planning and development	1,138,000	1,154,802	965,589
TOTAL EXPENSES	25,868,219	25,874,726	24,124,844
ANNUAL SURPLUS	<u>1,889,552</u>	1,877,967	2,377,017
ACCUMULATED SURPLUS - beginning of year		100,700,704	98,323,687
ACCUMULATED SURPLUS - end of year		102,578,671	100,700,704

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

For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS	1,889,552	1,877,967	2,377,017
Amortization of tangible capital assets	5,746,681	5,732,182	5,746,681
Purchase of tangible capital assets	(9,339,326)	(6,399,978)	(5,411,432)
Loss on disposal of tangible capital assets	-	67,135	626,657
Proceeds on sale of tangible capital assets	-	53,619	30,281
Contributed capital assets	-	-	(474,615)
Change in prepaid expenses	-	(71,353)	(59,031)
Change in inventories of materials and supplies	-	(63,996)	15,665
CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)	(1,703,093)	1,195,576	2,851,223
NET FINANCIAL ASSETS/(NET DEBT) - beginning of year	1,832,645	1,832,645	(1,018,578)
NET FINANCIAL ASSETS - end of year	129,552	3,028,221	1,832,645

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, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	1,877,967	2,377,017
Items not involving cash		
Amortization of tangible capital assets	5,732,182	5,746,681
Loss on disposal of tangible capital assets	67,135	626,657
Contributed capital assets	-	(474,615)
Change in landfill closure liability	(25,600)	25,200
Change in employee future benefits	31,600	80,400
Change in non-cash assets and liabilities		
Accounts receivable	(667,946)	(173,675)
Taxes receivable	(328,517)	137,438
Inventories held for resale	-	4,813
Loans and notes receivable	-	8,866
Prepaid expenses	(71,353)	(59,031)
Inventories of materials and supplies	(63,996)	15,665
Accounts payable and accrued liabilities	458,558	(334,514)
Deferred revenue - obligatory reserve funds	1,274,141	1,582,582
Deferred revenue - other	1,038,836	33,467
Net change in cash from operating activities	9,323,007	9,596,951
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(6,399,978)	(5,411,432)
Proceeds on disposal of tangible capital assets	53,619	30,281
Net change in cash from capital activities	(6,346,359)	(5,381,151)
INVESTING ACTIVITIES		
Investment income on investments	(12,843)	(3,091)
FINANCING ACTIVITIES		
Long term debt issued	-	4,205,732
Debt principal repayments - long term debt	(1,228,221)	(1,510,159)
Net change in cash from financing activities	(1,228,221)	2,695,573
NET CHANGE IN CASH	1,735,584	6,908,282
CASH - beginning of year	20,136,745	13,228,463
CASH - end of year	21,872,329	20,136,745

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, 2022

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, 2022

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.

Canada Community-Building Fund, 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, 2022

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. CASH

Cash includes the following restricted and unrestricted amounts:

	2022	2021
	\$	\$
Unrestricted	15,594,699	15,244,118
Restricted	6,277,630	4,892,627
	21,872,329	20,136,745

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

3. INVESTMENTS

Investments are recorded at cost and consist of the following:

	2022	2021
	\$	\$
High Interest Savings Portfolio - Hastings Hydro Fund	627,349	614,506

4. 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 2022-002. At December 31, 2022 there was no balance outstanding (2021 - \$Nil).

5. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND

During 2022, 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	875,402	9,002,672
Taxation from other governments	5,303	83,999
	880,705	9,086,671
Amounts requisitioned and remitted	880,705	9,086,671

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, 2022

6. 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:

	2022	2021
	\$	\$
Development charges	6,296,373	5,063,690
Parkland	203,786	164,806
Canada Community-Building Fund	454,760	453,778
Provincial gas tax	21,495	19,999
	6,976,414	5,702,273

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

	2022	2021
	\$	\$
Balance - beginning of year	5,702,273	4,119,691
Add amounts received:		
Development charges	1,134,941	1,236,132
Parkland	41,166	23,000
Canada Community-Building Fund	409,125	802,429
Provincial gas tax	74,628	38,140
Interest	105,916	28,890
	1,765,776	2,128,591
Less transfer to operations:		
Development charges earned	2,813	65,631
Parkland fees earned	5,440	-
Canada Community-Building Fund earned	409,125	409,125
Provincial gas tax earned	74,257	71,253
	491,635	546,009
Balance - end of year	6,976,414	5,702,273

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

7. LONG TERM DEBT

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

	2022	2021
	\$	\$
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.	1,473,793	1,587,310
Debenture issued to the Ontario Infrastructure Projects Corporation, repayable in semi-annual principal instalments of \$110,400 plus interest at 3.6% per annum, due December 15, 2031.	1,987,200	2,208,000
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.	188,556	225,236
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.	129,004	154,099
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.	275,795	408,311
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.	410,456	506,829
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.	206,485	265,822
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
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.	2,271,119	2,517,345
Term loan issued to Royal Bank of Canada, interest repayable monthly at Royal Bank Prime rate per annum, due March 31, 2023.	1,231,082	1,231,082
Debenture issued to the Ontario Infrastructure and Lands Corporation, repayable in semi-annual blended instalments of \$120,298, interest at 3.1% per annum, due April 15, 2046.	4,032,141	4,148,731
	<u>12,205,631</u>	<u>13,433,852</u>

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

7. 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 \$414,349 (2021 - \$372,348).

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

	Principal \$	Interest \$	Total \$
2023	2,302,826	329,822	2,632,648
2024	1,097,119	296,857	1,393,976
2025	979,811	263,976	1,243,787
2026	2,166,016	233,284	2,399,300
2027	524,853	169,899	694,752
2028 and subsequent years	5,135,006	1,206,427	6,341,433
	12,205,631	2,500,265	14,705,896

8. LANDFILL POST-CLOSURE LIABILITY

The estimated liability for landfill post-closure costs for the one site the Municipality owns is \$230,400 (2021 - \$256,000). 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, 2022 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 4.64% and an inflation rate of 3.0%.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

9. EMPLOYEE FUTURE BENEFITS

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

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

Actuarial assumptions

Discount rate	4.60%
Medical trend rate:	
Initial	7.32%
Ultimate (reached in 2043)	4.50%
Dental trend rate:	
Initial	6.08%
Ultimate (reached in 2043)	4.50%

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

Details of the change in the liability are as follows:

	2022	2021
	\$	\$
Accrued benefit obligation at January 1	548,200	466,300
Unamortized actuarial gains	-	1,500
Liability at January 1	548,200	467,800
Current year benefits cost	32,900	32,000
Interest cost	16,600	15,700
Amortization of actuarial gain	-	(1,500)
Plan amendment (retiree benefit plan)	-	51,100
Less: benefit payments	(17,900)	(16,900)
Liability at December 31	579,800	548,200

10. 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, 2022

11. TANGIBLE CAPITAL ASSETS

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

	2022	2021
	\$	\$
General		
Land and land improvements	4,832,038	4,928,037
Building and leasehold improvements	24,086,958	24,904,848
Vehicles and equipment	9,458,111	8,468,234
Infrastructure		
Linear - storm	6,502,054	6,352,680
Linear - sanitary	7,217,768	7,265,665
Water distribution	13,165,399	13,358,098
Roadways, bridges and sidewalks	31,382,404	30,246,049
	96,644,732	95,523,611
Assets under construction	2,112,744	2,686,823
	98,757,476	98,210,434

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

During the year there were no write-downs of assets (2021 - \$Nil) and no interest capitalized (2021 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2022	2021
	\$	\$
General government	2,549,108	1,865,665
Protection services	6,934,612	6,504,283
Transportation services	34,294,995	35,343,835
Environmental services	43,172,849	44,255,722
Health services	1,002	1,252
Recreation and cultural services	9,553,934	7,909,828
Planning and development	2,250,976	2,329,849
	98,757,476	98,210,434

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

12. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Surplus/(Deficit)		
Unfunded landfill closure and post-closure costs	(230,400)	(256,000)
Unfunded employee future benefits	(579,800)	(548,200)
	(810,200)	(804,200)
Invested In Capital Assets		
Tangible capital assets - net book value	98,757,476	98,210,434
Long term debt	(12,205,631)	(13,433,852)
Unfunded capital - Roads and bridges	(1,097,099)	(1,227,169)
Unfunded capital - Wellness Centre	(1,341,595)	-
Unfunded capital - Campbellford potable water supply system upgrades	(2,402,235)	(2,538,020)
	81,710,916	81,011,393
Surplus	80,900,716	80,207,193
Reserves		
Working capital and contingency	3,108,479	2,895,057
General government	1,672,336	1,529,939
Protection to persons and property	2,784,068	2,907,649
Transportation services	3,690,650	4,201,364
Environmental services	5,051,809	4,162,038
Health services	451,271	405,068
Recreation and culture	2,342,489	1,841,031
Planning and development	1,113,414	1,158,641
Total Reserves	20,214,516	19,100,787
Reserve Funds		
Working capital and contingency	985,342	969,657
Corporate	41,163	38,034
Environmental services	65,694	64,645
Recreation and culture	345,676	295,233
Planning and development	25,564	25,155
Total Reserve Funds	1,463,439	1,392,724
	102,578,671	100,700,704

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

13. BUDGET FIGURES

The budget, approved by the Municipality, for 2022 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. 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.

14. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$438,526 (2021 - \$424,942) 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.

15. EXPENSES BY OBJECT

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

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
Salaries and benefits	9,109,374	9,115,320	8,421,708
Interest charges	363,286	414,349	372,348
Materials	6,438,471	6,110,627	4,904,296
Contracted services	3,901,687	4,027,687	3,667,334
Rents and financial	52,348	65,531	86,591
External transfers	256,372	341,895	299,229
Amortization	5,746,681	5,732,182	5,746,681
Loss (gain) on disposal of tangible capital assets	-	67,135	626,657
	25,868,219	25,874,726	24,124,844

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

16. 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 2022 Annual Report disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with actuarial assets of \$123,628 million indicating an actuarial deficit of \$6,678 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 2022 were \$451,279 (2021 - \$417,580).

Some employees of the Municipality, who are not members of OMERS, are eligible to be members of a contributory pension plan. Employer contributions to the plan by the Municipality during the year amounted to \$61,027 (2021 - \$66,413). 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.

17. 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, 2022

17. 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.

18. COMPARATIVE FIGURES

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

19. COMMITMENTS

The Municipality has committed to the purchase of several vehicles, including a 3 ton truck and a tandem truck, at a total cost of \$565,362 plus HST which were not received before December 31, 2022.

The Municipality has committed to design and construction of the Campbellford Recreation and Wellness Centre at a total cost of \$21,648,700 plus HST. Total cost incurred to December 31, 2022 were \$856,354.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2022

	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	7,078,615	50,992,536	21,089,970	8,716,302	11,049,178	18,416,864	88,802,992	2,686,823	208,833,280
Add: additions during the year	89,975	496,350	1,838,343	264,004	60,546	61,096	1,608,796	1,980,868	6,399,978
Less: disposals during the year	-	68,506	346,791	3,973	16,292	13,198	1,562,629	-	2,011,389
Internal transfers	19,058	130,064	-	-	40,914	-	2,364,911	(2,554,947)	-
Balance, end of year	7,187,648	51,550,444	22,581,522	8,976,333	11,134,346	18,464,762	91,214,070	2,112,744	213,221,869
ACCUMULATED AMORTIZATION									
Balance, beginning 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
Add: additions during the year	205,032	1,444,304	848,466	112,697	146,098	249,458	2,726,127	-	5,732,182
Less: disposals during the year	-	68,506	346,791	2,040	13,033	8,861	1,451,404	-	1,890,635
Balance, end of year	2,355,610	27,463,486	13,123,411	2,474,279	3,916,578	5,299,363	59,831,666	-	114,464,393
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	4,832,038	24,086,958	9,458,111	6,502,054	7,217,768	13,165,399	31,382,404	2,112,744	98,757,476

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2022

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	(903,398)	4,946,380	6,919,701	183,488	89,288	3,159,183	829,103	15,223,745
User charges	114,964	673,826	57,725	4,758,203	32,375	414,359	131,850	6,183,302
Government transfers - operating	3,301,300	8,698	38,726	-	-	55,120	11,684	3,415,528
Government transfers - capital	122,531	-	148,540	29,676	-	561,450	-	862,197
Other municipalities	-	-	5,978	-	-	-	-	5,978
Penalties and interest on taxes	355,977	-	-	-	-	-	-	355,977
Investment income	376,650	-	-	-	3,136	889	29,207	409,882
Donations	-	-	-	-	-	234,818	-	234,818
Capital contributions	-	-	-	-	-	100,000	66,000	166,000
Developer contributions earned	-	-	2,813	-	-	-	-	2,813
Parkland fees earned	-	-	-	-	-	5,440	-	5,440
Canada Community-Building Fund earned	-	-	409,125	-	-	-	-	409,125
Provincial gas tax earned	-	-	74,257	-	-	-	-	74,257
Other	214,472	168	91,098	10,350	-	50,778	36,765	403,631
Total revenues	3,582,496	5,629,072	7,747,963	4,981,717	124,799	4,582,037	1,104,609	27,752,693
Expenses								
Salaries and benefits	1,738,990	1,323,884	2,512,605	1,103,851	69,212	1,818,263	548,515	9,115,320
Interest charges	22,358	101,648	33,904	204,470	-	2,031	49,938	414,349
Materials	806,084	644,307	2,171,194	1,306,482	9,384	980,483	192,693	6,110,627
Contracted services	141,576	2,530,830	613,218	381,775	-	122,667	237,621	4,027,687
Rents and financial	10,191	5,800	13,950	27,393	-	8,197	-	65,531
External transfers	2,900	226,651	106,911	-	-	4,633	800	341,895
Amortization	146,758	234,018	3,064,645	1,701,398	250	463,675	121,438	5,732,182
Loss (gain) on disposal of tangible capital assets	-	(24,016)	81,623	9,528	-	-	-	67,135
Internal transfers	(49,116)	97,800	4,621	(117,220)	-	60,118	3,797	-
Total expenses	2,819,741	5,140,922	8,602,671	4,617,677	78,846	3,460,067	1,154,802	25,874,726
Net surplus/(deficit)	762,755	488,150	(854,708)	364,040	45,953	1,121,970	(50,193)	1,877,967

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
Canada Community-Building Fund 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

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, 2022, 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, 2022, 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
May 16, 2023

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2022

	Cemetery Care and Maintenance \$	Other \$	2022 Total \$	2021 Total \$
FINANCIAL ASSETS				
Cash	189,233	346	189,579	186,787
Investments (note 3)	258,866	2,412	261,278	244,699
	448,099	2,758	450,857	431,486
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to Cemetery	12,331	-	12,331	6,544
FUND BALANCES (note 4)	435,768	2,758	438,526	424,942
	448,099	2,758	450,857	431,486

TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2022

	Cemetery Care and Maintenance \$	Other \$	2022 Total \$	2021 Total \$
BALANCES - beginning of year	422,187	2,755	424,942	415,234
RECEIPTS				
Interest	8,892	38	8,930	2,528
Care and maintenance	13,581	-	13,581	9,704
	22,473	38	22,511	12,232
EXPENSES				
Bursaries and scholarships	-	35	35	35
Transfer to external cemeteries (note 5)	5,787	-	5,787	1,452
Transfer to operations	3,105	-	3,105	1,037
	8,892	35	8,927	2,524
BALANCES - end of year	435,768	2,758	438,526	424,942

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, 2022

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:

	2022	2021
	\$	\$
Cemetery Care and Maintenance		
High Interest Savings Portfolio with the One Investment Program	258,678	242,099
Public Trustee investment for Henderson Cemetery	188	188
	<u>258,866</u>	<u>242,287</u>
Other		
GIC due February 27, 2023 with an interest rate of 1.60%	2,412	2,412
	<u>261,278</u>	<u>244,699</u>

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

4. FUND BALANCES

Included in fund balances are the following:

	2022	2021
	\$	\$
Cemetery Care and Maintenance		
Warkworth Cemetery	148,967	143,268
Stones Cemetery	8,696	8,296
Henderson Cemetery	188	188
English Line Cemetery	24,085	22,815
Hoards United Church Cemetery	11,972	11,521
Trent Valley Cemetery	163,957	159,371
Burnbrae Cemetery	77,903	76,728
	435,768	422,187
Other Trust Funds		
HABA	2,758	2,755
	438,526	424,942

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, 2022

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, 2022, 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, 2022, 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 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
May 16, 2023

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash	467	455
Due from Municipality (note 4)	297,376	299,621
Accounts receivable	3,799	2,839
TOTAL FINANCIAL ASSETS	301,642	302,915
LIABILITIES		
Accounts payable and accrued liabilities	34,491	28,777
NET FINANCIAL ASSETS	267,151	274,138
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	233,808	229,225
Prepaid expenses	921	4,644
TOTAL NON-FINANCIAL ASSETS	234,729	233,869
ACCUMULATED SURPLUS (note 3)	501,880	508,007

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Municipal contribution (note 4)	562,897	562,897	543,661
Provincial grants	32,499	33,099	33,099
Federal grants	2,100	2,025	2,887
Other grants	-	3,799	3,353
Facilities rental	2,500	929	150
User fees	2,750	3,871	3,329
Donations	-	9,890	10,634
Fines	-	163	86
Investment income	-	889	241
Sale of books	500	655	51
Non-resident fees	325	250	300
TOTAL REVENUES	603,571	618,467	597,791
EXPENSES			
Salaries and benefits	432,019	429,978	407,506
Utilities	35,300	36,424	31,211
Office	11,830	13,377	16,900
Professional fees	3,562	3,312	3,562
Insurance	24,975	25,498	23,326
Periodicals, e-book fees and other	19,068	18,953	22,370
Contracts	8,605	6,340	7,310
Literacy and connectivity grants	5,720	6,405	6,750
Amortization	43,537	44,122	43,537
Book processing and computer services	31,750	26,206	31,460
Conferences, training and travel	5,500	3,025	3,014
Repairs, maintenance and security	14,000	10,954	6,498
TOTAL EXPENSES	635,866	624,594	603,444
ANNUAL DEFICIT	<u>(32,295)</u>	(6,127)	(5,653)
ACCUMULATED SURPLUS - beginning of year		508,007	513,660
ACCUMULATED SURPLUS - end of year		501,880	508,007

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL DEFICIT	(32,295)	(6,127)	(5,653)
Amortization of tangible capital assets	43,537	44,122	43,537
Acquisition of tangible capital assets	(50,500)	(48,705)	(44,229)
Change in prepaid expenses	-	3,723	(173)
DECREASE IN NET FINANCIAL ASSETS	(39,258)	(6,987)	(6,518)
NET FINANCIAL ASSETS - beginning of year	274,138	274,138	280,656
NET FINANCIAL ASSETS - end of year	234,880	267,151	274,138

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, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(6,127)	(5,653)
Items not involving cash		
Amortization of tangible capital assets	44,122	43,537
Change in non-cash assets and liabilities		
Due from Municipality	2,245	26,393
Accounts receivable	(960)	941
Prepaid expenses	3,723	(173)
Accounts payable and accrued liabilities	5,714	(20,745)
Net change in cash from operating activities	48,717	44,300
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(48,705)	(44,229)
NET CHANGE IN CASH	12	71
CASH - beginning of year	455	384
CASH - end of year	467	455

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, 2022

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, 2022

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 \$	2022 Totals \$	2021 Totals \$
COST				
Balance, beginning of year	256,020	137,698	393,718	385,771
Add: additions during the year	36,603	12,102	48,705	44,229
Less: disposals during the year	35,444	-	35,444	36,282
Balance, end of year	257,179	149,800	406,979	393,718
ACCUMULATED AMORTIZATION				
Balance, beginning of year	121,812	42,681	164,493	157,238
Add: additions during the year	31,511	12,611	44,122	43,537
Less: disposals during the year	35,444	-	35,444	36,282
Balance, end of year	117,879	55,292	173,171	164,493
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	139,300	94,508	233,808	229,225

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	233,808	229,225
Surplus	233,808	229,225
Reserves		
Bequests	39,214	35,828
General	228,858	242,954
Total Reserves	268,072	278,782
	501,880	508,007

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:

	2022	2021
	\$	\$
Allocated costs:		
Water and sewer	3,937	3,120
Insurance	25,498	23,326
Professional fees	3,312	3,562
	32,747	30,008

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, 2022

5. BUDGET FIGURES

The operating budget, approved by the Board, for 2022 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

**CORPORATION OF THE
MUNICIPALITY OF TRENT HILLS**

CAMPBELLFORD BUSINESS IMPROVEMENT AREA

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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, 2022, 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, 2022, 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
May 16, 2023

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA STATEMENT OF FINANCIAL POSITION At December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash	70,032	33,032
Accounts receivable	25,000	-
HST receivable	4,118	403
TOTAL FINANCIAL ASSETS	99,150	33,435
LIABILITIES		
Accounts payable and accrued liabilities	61,897	2,115
Deferred revenue	4,350	-
TOTAL LIABILITIES	66,247	2,115
NET FINANCIAL ASSETS	32,903	31,320
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	22,553	10,882
Prepaid expenses	1,645	1,524
TOTAL NON-FINANCIAL ASSETS	24,198	12,406
ACCUMULATED SURPLUS (note 3)	57,101	43,726

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Municipal contribution (note 5)	39,800	40,329	36,978
Interest income	395	1,677	240
Other grants	-	8,525	2,343
Tourism Relief grant	-	100,000	-
TOTAL REVENUES	40,195	150,531	39,561
EXPENSES			
Secretarial support	9,000	9,100	8,250
Promotion and advertising	12,100	3,802	114
Beautification and streetscape	9,000	4,426	-
Sponsorships and special events	2,000	3,686	2,729
Christmas program	4,000	5,195	1,033
Professional fees	1,850	2,089	1,819
Insurance	1,750	1,827	1,775
Office	495	2,029	214
Grant costs	-	99,041	2,342
Amortization	5,025	5,961	5,025
TOTAL EXPENSES	45,220	137,156	23,301
ANNUAL SURPLUS/(DEFICIT)	<u>(5,025)</u>	13,375	16,260
ACCUMULATED SURPLUS - beginning of year		43,726	27,466
ACCUMULATED SURPLUS - end of year		57,101	43,726

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS/(DEFICIT)	(5,025)	13,375	16,260
Amortization of tangible capital assets	5,025	5,961	5,025
Acquisition of tangible capital assets	-	(17,632)	-
Change in prepaid expenses	-	(121)	(180)
INCREASE IN NET FINANCIAL ASSETS	-	1,583	21,105
NET FINANCIAL ASSETS - beginning of year	31,320	31,320	10,215
NET FINANCIAL ASSETS - end of year	31,320	32,903	31,320

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, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	13,375	16,260
Items not involving cash		
Amortization of tangible capital assets	5,961	5,025
Change in non-cash assets and liabilities		
Accounts receivable	(25,000)	-
HST receivable	(3,715)	771
Prepaid expenses	(121)	(180)
Accounts payable and accrued liabilities	59,782	146
Deferred revenue	4,350	(2,344)
Due to Municipality of Trent Hills	-	(19,000)
Net change in cash from operating activities	54,632	678
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(17,632)	-
NET CHANGE IN CASH	37,000	678
CASH - beginning of year	33,032	32,354
CASH - end of year	70,032	33,032

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

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, 2022

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:

	2022 Christmas Decorations and Banners \$	2021 Christmas Decorations and Banners \$
COST		
Balance, beginning of year	32,210	32,210
Add: additions during the year	17,632	-
Balance, end of year	49,842	32,210
ACCUMULATED AMORTIZATION		
Balance, beginning of year	21,328	16,303
Add: additions during the year	5,961	5,025
Balance, end of year	27,289	21,328
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	22,553	10,882

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

**CAMPBELLFORD BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 2022**

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	22,553	10,882
Reserve		
General	34,548	32,844
	57,101	43,726

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2022 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. COMPARATIVE FIGURES

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

