

**CORPORATION OF THE
MUNICIPALITY OF TRENT HILLS**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

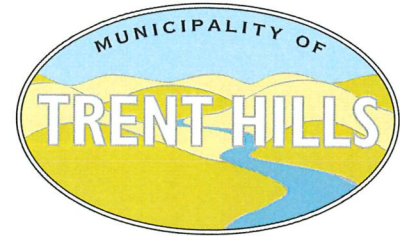
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MUNICIPALITY OF TRENT HILLS**

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DECEMBER 31, 2024

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CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

For The Year Ended December 31, 2024

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

August 12, 2025

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

INDEPENDENT AUDITOR'S REPORT

**To the Members of Council, Inhabitants and Ratepayers
of the Municipality of Trent Hills**

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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, 2024, 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, 2024, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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

Licensed Public Accountants
Peterborough, Ontario
August 12, 2025



CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2024

	2024 \$	2023 \$
FINANCIAL ASSETS		
Cash (note 3)	11,796,441	15,718,114
Investments (note 4)	684,702	650,294
Accounts receivable	6,095,155	6,673,555
Taxes receivable	2,466,239	2,405,347
Inventories held for resale	3,171	3,171
Sponsorships receivable (note 5)	1,295,500	1,340,250
TOTAL FINANCIAL ASSETS	22,341,208	26,790,731
LIABILITIES		
Accounts payable and accrued liabilities	4,887,494	3,998,034
Deferred revenue - obligatory reserve funds (note 6)	4,736,541	5,179,727
Deferred revenue - other	114,459	1,239,450
Long term debt (note 7)	15,205,289	9,902,806
Asset retirement obligation (note 10)	701,507	713,686
Employee future benefits (note 11)	683,200	625,800
TOTAL LIABILITIES	26,328,490	21,659,503
NET FINANCIAL ASSETS/(NET DEBT)	(3,987,282)	5,131,228
NON-FINANCIAL ASSETS		
Tangible capital assets (note 13)	132,511,078	111,441,165
Prepaid expenses	389,739	355,406
Inventories of materials and supplies	746,167	536,284
TOTAL NON-FINANCIAL ASSETS	133,646,984	112,332,855
ACCUMULATED SURPLUS (note 14)	129,659,702	117,464,083

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, 2024

	Budget 2024 \$ (note 18)	Actual 2024 \$	Actual 2023 \$
REVENUES			
Property taxation	16,779,668	16,850,576	15,640,690
User charges	6,184,275	6,641,509	6,369,299
Government of Canada	3,111,035	2,495,147	3,590,424
Province of Ontario	8,090,946	7,531,716	7,116,154
Other municipalities	-	4,339	4,673
Penalties and interest on taxes	358,000	375,734	384,420
Investment income	537,861	579,744	913,100
Donations	-	118,877	1,417,818
Donated tangible capital assets	-	2,386,217	-
Capital contributions	-	196,383	1,347,704
Development charges earned (note 6)	1,500,000	1,500,000	772,201
Parkland fees earned (note 6)	-	6,000	46,326
Canada Community-Building Fund earned (note 6)	426,914	603,547	759,095
Provincial gas tax earned (note 6)	113,271	148,837	49,797
Gain on disposal of tangible capital assets	-	-	1,268,699
Other	205,950	372,893	441,021
TOTAL REVENUES	37,307,920	39,811,519	40,121,421
EXPENSES			
General government	3,243,966	3,214,314	3,113,204
Protection services	5,602,239	5,498,235	5,278,490
Transportation services	10,240,708	8,810,141	8,473,475
Environmental services	4,594,557	4,660,213	4,899,730
Health services	107,766	96,268	95,448
Recreation and cultural services	4,060,328	4,098,860	3,727,594
Planning and development	1,353,302	1,146,083	1,435,891
TOTAL EXPENSES	29,202,866	27,524,114	27,023,832
ANNUAL SURPLUS	8,105,054	12,287,405	13,097,589
ACCUMULATED SURPLUS - beginning of year		117,464,083	104,366,494
ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD (note 2)		(91,786)	-
ACCUMULATED SURPLUS - beginning of year, as restated		117,372,297	104,366,494
ACCUMULATED SURPLUS - end of year		129,659,702	117,464,083

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, 2024

	Budget 2024 \$ (note 18)	Actual 2024 \$	Actual 2023 \$
ANNUAL SURPLUS	8,105,054	12,287,405	13,097,589
Amortization of tangible capital assets	6,042,336	6,117,546	6,046,530
Purchase of tangible capital assets	(24,437,768)	(24,994,159)	(18,497,309)
Loss/(gain) on disposal of tangible capital assets	-	159,759	(1,268,699)
Proceeds on sale of tangible capital assets	-	33,158	1,494,696
Contributed capital assets	-	(2,386,217)	-
Change in prepaid expenses	-	(34,333)	(6,861)
Change in inventories of materials and supplies	-	(209,883)	(91,855)
CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)	(10,290,378)	(9,026,724)	774,091
NET FINANCIAL ASSETS - beginning of year	5,131,228	5,131,228	4,816,044
ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD	-	-	(458,907)
ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD (note 2)	-	(91,786)	-
NET FINANCIAL ASSETS - beginning of year, as restated	5,131,228	5,039,442	4,357,137
NET FINANCIAL ASSETS/(NET DEBT) - end of year	(5,159,150)	(3,987,282)	5,131,228

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, 2024

	2024 \$	2023 \$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	12,287,405	13,097,589
Items not involving cash		
Amortization of tangible capital assets	6,117,546	6,046,530
Loss/(gain) on disposal of tangible capital assets	159,759	(1,268,699)
Contributed capital assets	(2,386,217)	-
Accretion expense	19,590	19,779
Remediation costs for asset retirement obligation	(31,769)	(2,000)
Change in asset retirement obligation for closed landfill site	-	237,000
Change in employee future benefits	57,400	46,000
Change in landfill closure liability	-	(230,400)
Change in non-cash assets and liabilities		
Accounts receivable	578,400	(4,675,745)
Taxes receivable	(60,892)	58,265
Sponsorships receivable	44,750	(1,340,250)
Prepaid expenses	(34,333)	(6,861)
Inventories of materials and supplies	(209,883)	(91,855)
Accounts payable and accrued liabilities	889,460	1,347,999
Deferred revenue - obligatory reserve funds	(443,186)	(8,864)
Deferred revenue - other	(1,216,777)	(54,320)
Net change in cash from operating activities	15,771,253	13,174,168
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(24,994,159)	(18,497,309)
Proceeds on disposal of tangible capital assets	33,158	1,494,696
Net change in cash from capital activities	(24,961,001)	(17,002,613)
INVESTING ACTIVITIES		
Investment income on investments	(34,408)	(22,945)
FINANCING ACTIVITIES		
Long term debt issued	6,400,000	-
Debt principal repayments - long term debt	(1,097,517)	(2,302,825)
Net change in cash from financing activities	5,302,483	(2,302,825)
NET CHANGE IN CASH	(3,921,673)	(6,154,215)
CASH - beginning of year	15,718,114	21,872,329
CASH - end of year	11,796,441	15,718,114

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, 2024

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting Entity

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

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

- Trent Hills Public Library Board
- Campbellford Business Improvement Area

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

(b) Inventories of Materials and Supplies

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

(c) Deferred Revenue

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

(d) Asset Retirement Obligation

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

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

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

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

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Non-financial Assets

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

(f) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

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

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

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

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

(g) Use of Estimates

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

- The amount recorded for asset retirement obligation is based on estimates of the assets with potential contaminants and management's estimate of the costs to retire those assets - See Note 1(d) and related costs added to tangible capital assets - See Note 1(f)
- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(f)
- Employee future amounts payable depend on certain actuarial and economic assumptions
- Allowance for doubtful accounts receivable is based in management's estimate of future collectibility

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Financial Instruments

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

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

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

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

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

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

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

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(i) Recognition of Revenues and Expenses

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

Property taxation

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

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

Government funding

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

Other revenue

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

Investment income is recorded in the year in which it is earned.

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

(j) Reserves and Reserve Funds

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

(k) Trust Funds

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

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

2. CHANGES IN ACCOUNTING POLICIES

The Municipality has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the Municipality's consolidated financial statements.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'.

In accordance with the provisions of this new standard, which has been applied prospectively, the Municipality reflected the following adjustments at January 1, 2024:

- An increase of \$91,786 to deferred revenue - other and corresponding decrease to accumulated surplus related to the estimated unearned portion of building permit fees due to outstanding performance obligations at December 31, 2023.

Under PSG-8, an entity may recognize purchased intangibles as an asset in its consolidated financial statements if the intangible meets the asset definition and the general recognition criteria. The adoption of this standard did not have an impact on the Municipality's consolidated financial statements.

3. CASH

Cash includes the following restricted and unrestricted amounts:

	2024	2023
	\$	\$
Unrestricted	3,459,760	7,907,229
Restricted	8,336,681	7,810,885
	11,796,441	15,718,114

4. INVESTMENTS

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

	Level (note 1(h))	2024 \$	2023 \$
High Interest Savings Portfolio - Hastings Hydro Fund	1	684,702	650,294

There were no transfers in or out of level 2 and level 3 during the year.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

5. SPONSORSHIPS RECEIVABLE

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

6. 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:

	2024	2023
	\$	\$
Development charges	4,462,974	4,749,634
Parkland	216,288	194,193
Canada Community-Building Fund	-	148,010
Provincial gas tax	57,279	87,890
	4,736,541	5,179,727

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

	2024	2023
	\$	\$
Balance - beginning of year	5,179,727	5,188,591
Add amounts received:		
Development charges	963,766	787,202
Parkland	16,000	28,000
Canada Community-Building Fund	442,165	426,914
Provincial gas tax	113,254	113,271
Interest	280,013	263,168
	1,815,198	1,618,555
Less transfer to operations:		
Development charges earned	1,500,000	772,201
Parkland fees earned	6,000	46,326
Canada Community-Building Fund earned	603,547	759,095
Provincial gas tax earned	148,837	49,797
	2,258,384	1,627,419
Balance - end of year	4,736,541	5,179,727

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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:

	2024 \$	2023 \$
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.	1,237,348	1,357,168
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.	1,545,600	1,766,400
Debenture issued to the Ontario Infrastructure Projects Corporation, repayable in semi-annual blended instalments of \$23,561, interest at 4.83% per annum, due February 15, 2027.	109,728	150,082
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.	75,072	102,682
Long term loan issued to Royal Bank of Canada, repayable in monthly blended instalments of \$11,812, interest at 2.65% per annum, due December 21, 2024.	-	139,724
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.	209,939	311,649
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.	84,242	145,962
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.	1,755,112	2,017,123
Debenture issued to the Ontario Infrastructure and Lands Corporation, repayable in semi-annual blended instalments of \$120,298, interest at 3.1% per annum, due April 15, 2046.	3,788,248	3,912,016
Long term loan issued to Royal Bank of Canada, repayable in monthly blended instalments of \$38,920, interest at 4.04% per annum, due December 12, 2044 (next renewal December 12, 2029).	6,400,000	-
	15,205,289	9,902,806

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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 \$296,304 (2023 - \$383,342).
- (d) The long term debt reported in (a) of this note is repayable as follows based on the current terms of the debt:

	Principal \$	Interest \$	Total \$
2025	1,192,198	518,633	1,710,831
2026	2,386,744	479,201	2,865,945
2027	755,080	406,716	1,161,796
2028	733,473	380,781	1,114,254
2029	751,222	355,104	1,106,326
2030 to 2034	3,226,008	1,397,303	4,623,311
2035 and subsequent years	6,160,564	1,276,113	7,436,677
	15,205,289	4,813,851	20,019,140

8. 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 2024-006. At December 31, 2024 there was no balance outstanding (2023 - \$Nil).

9. PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 2024 Annual Report disclosed total actuarial liabilities of \$142,489 million in respect of benefits accrued for service with actuarial assets of \$139,576 million indicating an actuarial deficit of \$2,913 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 total contributions to OMERS in 2024 were \$1,017,762 (2023 - \$1,014,922) of which \$508,881 (2023 - \$507,461) was contributed by employees.

Some employees of the Municipality, who are not members of OMERS, are eligible to be members of a contributory pension plan. Employer contributions to the plan by the Municipality during the year amounted to \$64,383 (2023 - \$61,918). These contributions which match the employees' contributions for current service, are expensed during the year in which services are rendered and represent the total pension obligation of the Municipality.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

10. ASSET RETIREMENT OBLIGATION

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

(a) Landfill obligation

The Municipality owns and operates one landfill site. The liability for the post-closure costs for the site has been recognized under PS 3280 – Asset Retirement Obligations. The costs have been estimated based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 25 years after the closure date using a discount rate of 3.9% and an inflation rate of 2.5%. For the closed site, there are 21 years of remaining monitoring costs; however, the 25 year estimate could be extended based on the results of the monitoring.

(b) Asbestos obligation

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

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

	Landfill post- closure \$	Asbestos removal \$	Total 2024 \$	Total 2023 \$
Asset Retirement Obligation				
Opening balance	235,000	478,686	713,686	-
Adjustment on adoption of the asset retirement obligation standard	-	-	-	695,907
Opening balance, as restated	235,000	478,686	713,686	695,907
Remediation costs incurred	(7,600)	(24,169)	(31,769)	(2,000)
Accretion expense	-	19,590	19,590	19,779
Closing balance	227,400	474,107	701,507	713,686

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

11. EMPLOYEE FUTURE AMOUNTS PAYABLE

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

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

Actuarial assumptions

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

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

Details of the change in the liability are as follows:

	2024	2023
	\$	\$
Accrued benefit obligation at January 1	666,600	625,100
Unamortized actuarial losses	(40,800)	(45,300)
Liability at January 1	625,800	579,800
Current year benefits cost	45,700	43,700
Interest cost	32,200	30,000
Amortization of actuarial loss	4,500	4,500
Less: benefit payments	(25,000)	(32,200)
Liability at December 31	683,200	625,800

12. CONTINGENT LIABILITIES

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

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

13. TANGIBLE CAPITAL ASSETS

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

	2024	2023
	\$	\$
General		
Land and land improvements	4,462,224	4,637,178
Building and leasehold improvements	23,419,791	24,794,089
Vehicles and equipment	10,223,841	9,852,366
Infrastructure		
Linear - storm	6,283,598	6,387,477
Linear - sanitary	7,271,518	7,154,309
Water distribution	15,156,317	13,645,733
Roadways, bridges and sidewalks	32,491,262	30,113,761
	99,308,551	96,584,913
Assets under construction	33,202,527	14,856,252
	132,511,078	111,441,165

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

During the year there were no write-downs of assets (2023 - \$Nil), no interest capitalized (2023 - \$Nil).

The tangible capital assets of \$2,386,217 contributed in 2024 consisted of a bridge from the County of Northumberland. During 2023 there were no contributed assets.

Tangible capital assets allocated by segment are as follows:

	2024	2023
	\$	\$
General government	2,496,334	2,497,845
Protection services	6,716,631	6,988,179
Transportation services	38,431,337	34,590,696
Environmental services	49,238,259	44,444,487
Health services	85,191	32,272
Recreation and cultural services	33,589,498	20,817,331
Planning and development	1,953,828	2,070,355
	132,511,078	111,441,165

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

14. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024	2023
	\$	\$
Surplus/(Deficit)		
Unfunded employee future benefits	(683,200)	(625,800)
Invested In Capital Assets		
Tangible capital assets - net book value	132,511,078	111,441,165
Long term debt	(15,205,289)	(9,902,806)
Unfunded capital - Sanitary sewer	(290,245)	-
Unfunded capital - Roads and bridges	(1,250,223)	(1,387,718)
Unfunded capital - Sunny Life Recreation and Wellness Centre	(6,723,827)	(5,188,087)
Unfunded capital - Campbellford potable water supply system upgrades	(2,169,055)	(2,287,083)
Unfunded capital - Water standpipe	(1,469,738)	-
Unfunded capital- Water projects	(404,611)	-
Unfunded asset retirement obligation	(701,507)	(713,686)
	104,296,583	91,961,785
Surplus	103,613,383	91,335,985
Reserves		
Working capital and contingency	5,682,434	5,011,550
General government	1,609,554	1,540,044
Protection to persons and property	3,339,107	3,271,594
Transportation services	3,826,320	3,771,271
Environmental services	5,045,968	4,897,298
Health services	410,153	464,898
Recreation and culture	2,204,221	2,546,892
Planning and development	970,565	1,090,257
Total Reserves	23,088,322	22,593,804
Reserve Funds		
Working capital and contingency	1,080,349	1,025,159
Corporate	51,700	45,988
Environmental services	1,277,941	2,017,034
Recreation and culture	519,654	419,346
Planning and development	28,353	26,767
Total Reserve Funds	2,957,997	3,534,294
	129,659,702	117,464,083

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

15. FINANCIAL INSTRUMENTS

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

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

(a) Interest rate risk

Interest rate risk is the risk that the Municipality has interest rate exposure on its long term debt. This exposure is low as the amounts have fixed interest rates .

(b) Credit risk

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

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

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

16. EXPENSES BY OBJECT

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

	Budget 2024 \$ (note 18)	Actual 2024 \$	Actual 2023 \$
Salaries and benefits	10,093,770	9,798,748	9,374,754
Interest charges	351,834	296,304	383,342
Materials	7,990,497	6,403,524	6,524,393
Contracted services	3,979,350	4,148,793	4,228,697
Rents and financial	61,910	106,793	95,973
External transfers	683,169	492,647	370,143
Amortization	6,042,336	6,117,546	6,046,530
Loss on disposal of tangible capital assets	-	159,759	-
	29,202,866	27,524,114	27,023,832

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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.

Health Services

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

Recreation and Cultural Services

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

Planning and Development

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

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

18. BUDGET FIGURES

The budget, approved by the Municipality differs from the budget reflected on the Consolidated Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Council's approved budget to the annual surplus:

	2024 \$
Council approved budgeted surplus	-
Tangible capital asset additions	24,437,768
Amortization of tangible capital assets	(6,042,336)
Principal repayment of long term debt	1,097,119
Transfers to/(from) reserves and reserve funds	(4,686,910)
Change in unfunded capital	(6,700,587)
Annual surplus reported on the Consolidated Statement of Operations	8,105,054

19. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$469,919 (2023 - \$455,628) 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.

20. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND

During 2024, 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	3,465,960	10,510,056
Taxation from other governments	-	110,569
	3,465,960	10,620,625
Amounts requisitioned and remitted	3,465,960	10,620,625

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

21. COMPARATIVE FIGURES

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

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2024

	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	7,157,938	53,769,554	23,891,507	8,976,333	11,218,537	19,195,016	91,821,940	14,856,252	230,887,077
Add: additions during the year	30,177	172,664	1,437,828	10,697	266,654	1,768,864	5,347,217	18,346,275	27,380,376
Less: disposals during the year	-	424,726	330,235	-	4,947	18,755	1,169,314	-	1,947,977
Balance, end of year	7,188,115	53,517,492	24,999,100	8,987,030	11,480,244	20,945,125	95,999,843	33,202,527	256,319,476
ACCUMULATED AMORTIZATION									
Balance, beginning of year	2,520,760	28,975,465	14,039,141	2,588,856	4,064,228	5,549,283	61,708,179	-	119,445,912
Add: additions during the year	205,131	1,485,598	1,066,353	114,576	148,703	259,081	2,838,104	-	6,117,546
Less: disposals during the year	-	363,362	330,235	-	4,205	19,556	1,037,702	-	1,755,060
Balance, end of year	2,725,891	30,097,701	14,775,259	2,703,432	4,208,726	5,788,808	63,508,581	-	123,808,398
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	4,462,224	23,419,791	10,223,841	6,283,598	7,271,518	15,156,317	32,491,262	33,202,527	132,511,078

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2024

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	(1,158,469)	5,093,680	7,993,995	261,113	73,741	3,689,387	897,129	16,850,576
User charges	111,520	670,212	30,636	4,986,243	39,813	667,245	135,840	6,641,509
Government transfers - operating	3,245,300	14,792	-	-	-	33,099	-	3,293,191
Government transfers - capital	-	-	2,159,221	1,824,302	-	2,750,149	-	6,733,672
Other municipalities	-	-	4,339	-	-	-	-	4,339
Penalties and interest on taxes	375,734	-	-	-	-	-	-	375,734
Investment income	319,621	-	-	85,444	8,692	2,810	163,177	579,744
Donations	-	-	-	-	-	118,337	540	118,877
Donated tangible capital assets	-	-	2,386,217	-	-	-	-	2,386,217
Capital contributions	-	-	-	196,383	-	-	-	196,383
Development charges earned	-	-	-	-	-	1,500,000	-	1,500,000
Parkland fees earned	-	-	-	-	-	6,000	-	6,000
Canada Community-Building Fund earned	-	-	603,547	-	-	-	-	603,547
Provincial gas tax earned	-	-	148,837	-	-	-	-	148,837
Other	168,938	1,620	120,947	8,461	-	15,317	57,610	372,893
Total revenues	3,062,644	5,780,304	13,447,739	7,361,946	122,246	8,782,344	1,254,296	39,811,519
Expenses								
Salaries and benefits	1,776,830	1,389,667	2,627,763	1,194,603	64,584	2,146,946	598,355	9,798,748
Interest charges	21,064	95,763	25,362	154,115	-	-	-	296,304
Materials	1,073,824	629,077	2,125,232	1,115,089	27,975	1,137,055	295,272	6,403,524
Contracted services	152,045	2,609,518	534,691	576,983	1,883	143,081	130,592	4,148,793
Rents and financial	19,207	21,225	13,373	33,309	-	19,679	-	106,793
External transfers	-	349,566	128,124	-	-	13,564	1,393	492,647
Amortization	211,802	299,619	3,242,437	1,727,633	1,826	517,702	116,527	6,117,546
Loss on disposal of tangible capital assets	-	-	108,621	742	-	50,396	-	159,759
Internal transfers	(40,458)	103,800	4,538	(142,261)	-	70,437	3,944	-
Total expenses	3,214,314	5,498,235	8,810,141	4,660,213	96,268	4,098,860	1,146,083	27,524,114
Net surplus/(deficit)	(151,670)	282,069	4,637,598	2,701,733	25,978	4,683,484	108,213	12,287,405

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2023

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	(1,043,243)	4,970,667	7,285,935	210,175	100,366	3,313,734	803,056	15,640,690
User charges	76,630	666,902	77,383	4,786,106	31,700	571,138	159,440	6,369,299
Government transfers - operating	3,332,300	11,877	62,500	-	-	39,609	7,383	3,453,669
Government transfers - capital	-	13,774	828,445	1,396,427	-	4,981,263	33,000	7,252,909
Other municipalities	-	-	4,673	-	-	-	-	4,673
Penalties and interest on taxes	384,420	-	-	-	-	-	-	384,420
Investment income	742,826	-	-	79,894	8,279	1,947	80,154	913,100
Donations	-	-	-	-	-	1,417,818	-	1,417,818
Capital contributions	-	-	-	83,622	-	-	1,264,082	1,347,704
Development charges earned	155,562	192,325	29,011	-	-	395,303	-	772,201
Parkland fees earned	-	-	-	-	-	46,326	-	46,326
Canada Community-Building Fund earned	-	-	734,449	24,646	-	-	-	759,095
Provincial gas tax earned	-	-	49,797	-	-	-	-	49,797
Gain on disposal of tangible capital assets	-	-	(148,057)	(8,684)	-	(5,108)	1,430,548	1,268,699
Other	236,788	3,662	59,629	8,421	-	38,645	93,876	441,021
Total revenues	3,885,283	5,859,207	8,983,765	6,580,607	140,345	10,800,675	3,871,539	40,121,421
Expenses								
Salaries and benefits	1,841,365	1,199,742	2,525,219	1,172,330	40,768	1,969,292	626,038	9,374,754
Interest charges	21,721	98,749	29,689	179,663	-	-	53,520	383,342
Materials	864,317	616,170	2,119,149	1,452,648	43,032	1,035,955	393,122	6,524,393
Contracted services	201,220	2,673,155	530,536	496,666	11,398	91,511	224,211	4,228,697
Rents and financial	22,858	14,546	10,474	32,343	-	15,752	-	95,973
External transfers	-	305,540	49,797	-	-	4,906	9,900	370,143
Amortization	204,701	271,248	3,203,861	1,717,032	250	524,571	124,867	6,046,530
Internal transfers	(42,978)	99,340	4,750	(150,952)	-	85,607	4,233	-
Total expenses	3,113,204	5,278,490	8,473,475	4,899,730	95,448	3,727,594	1,435,891	27,023,832
Net surplus	772,079	580,717	510,290	1,680,877	44,897	7,073,081	2,435,648	13,097,589

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers 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, 2024, 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 financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2024, 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.

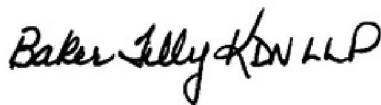
Auditor's Responsibilities for the Audit of the Financial Statements

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.



Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 12, 2025

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2024

	Cemetery Care and Maintenance \$	Other \$	2024 Total \$	2023 Total \$
FINANCIAL ASSETS				
Cash	214,729	-	214,729	208,228
Investments (note 3)	267,285	-	267,285	270,111
Due from Municipality	13,566	-	13,566	-
	495,580	-	495,580	478,339
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	25,661	-	25,661	22,711
FUND BALANCE (note 4)	469,919	-	469,919	455,628
	495,580	-	495,580	478,339

TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2024

	Cemetery Care and Maintenance \$	Other \$	2024 Total \$	2023 Total \$
BALANCE - beginning of year	452,866	2,762	455,628	438,526
RECEIPTS				
Interest	24,668	-	24,668	23,672
Care and maintenance	17,053	-	17,053	17,098
	41,721	-	41,721	40,770
EXPENSES				
Bursaries and scholarships	-	2,762	2,762	35
Transfer to external cemeteries (note 5)	16,035	-	16,035	15,363
Transfer to operations	8,633	-	8,633	8,270
	24,668	2,762	27,430	23,668
BALANCE - end of year	469,919	-	469,919	455,628

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, 2024

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) Financial Instruments

The Trust Funds financial instruments consist of cash, investments, due from Municipality and accounts payable. It is management's opinion that the fair value of the financial instruments are not materially different from their carrying value unless otherwise noted. The Trust Funds do not have any significant concentration of credit, currency or interest rate risk.

(c) Use of Estimates

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

3. INVESTMENTS

Included in investments are the following recorded at amortized cost:

	2024 \$	2023 \$
Cemetery Care and Maintenance		
High Interest Savings Portfolio with the One Investment Program	267,097	269,923
Public Trustee investment for Henderson Cemetery	188	188
	267,285	270,111

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

4. FUND BALANCES

Included in fund balances are the following:

	2024	2023
	\$	\$
Cemetery Care and Maintenance		
Warkworth Cemetery	161,267	152,097
Stones Cemetery	10,496	9,928
Henderson Cemetery	188	188
English Line Cemetery	25,465	24,485
Hoards United Church Cemetery	12,472	12,272
Trent Valley Cemetery	176,588	170,453
Burnbrae Cemetery	83,443	83,443
	469,919	452,866
Other Trust Funds		
HABA	-	2,762
	469,919	455,628

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, 2024

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

INDEPENDENT AUDITOR'S REPORT

**To the Members of the Trent Hills Public Library Board, the
Members of Council, Inhabitants and Ratepayers of the
Municipality of Trent Hills**

**T: (705) 742-3418
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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, 2024, 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, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many Public Library Boards, the Board derives revenue from donations, fines and user fees, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were not able to determine whether any adjustments might be necessary to donations, fines and user fees revenue, annual surplus/(deficit) and cash flows from operations for the years ended December 31, 2024 and 2023, and assets and accumulated surplus as at December 31, 2024 and 2023. Our opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this scope limitation.

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

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

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

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

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

ASSURANCE • TAX • ADVISORY

Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

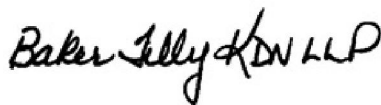
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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.



Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 12, 2025

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2024

	2024 \$	2023 \$
FINANCIAL ASSETS		
Cash	33,878	470
Due from Municipality (note 6)	302,356	332,443
Accounts receivable	6,684	5,770
TOTAL FINANCIAL ASSETS	342,918	338,683
LIABILITIES		
Accounts payable and accrued liabilities	26,117	26,856
NET FINANCIAL ASSETS	316,801	311,827
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	229,042	230,206
Prepaid expenses	6,797	6,009
TOTAL NON-FINANCIAL ASSETS	235,839	236,215
ACCUMULATED SURPLUS (note 3)	552,640	548,042

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, 2024

	Budget 2024 \$ (note 7)	Actual 2024 \$	Actual 2023 \$
REVENUES			
Municipal contribution (note 6)			
Annual contribution	635,242	635,242	617,455
Development charges earned	-	-	25,947
Provincial grants	33,218	33,099	33,099
Other grants	-	6,684	5,770
Facilities rental	2,500	5,110	2,420
User fees	2,750	5,444	4,879
Donations	-	15,859	12,899
Fines	-	142	61
Investment income	-	2,810	1,947
Sale of books	500	525	735
Non-resident fees	325	555	505
TOTAL REVENUES	674,535	705,470	705,717
EXPENSES			
Salaries and benefits	476,467	493,468	455,627
Utilities	34,400	35,388	37,111
Office	13,470	13,841	14,605
Professional fees (note 6)	3,562	3,562	3,562
Insurance (note 6)	26,017	25,082	24,544
Periodicals, e-book fees and other	28,500	25,560	24,836
Contracts	8,849	8,108	7,430
Literacy and connectivity grants	5,720	11,177	11,193
Amortization	46,462	46,743	46,462
Book processing and computer services	34,050	27,224	24,917
Conferences, training and travel	5,500	2,753	6,024
Repairs, maintenance and security	8,500	7,966	3,244
TOTAL EXPENSES	691,497	700,872	659,555
ANNUAL SURPLUS/(DEFICIT)	<u>(16,962)</u>	4,598	46,162
ACCUMULATED SURPLUS - beginning of year		548,042	501,880
ACCUMULATED SURPLUS - end of year		552,640	548,042

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, 2024

	Budget 2024 \$ (note 7)	Actual 2024 \$	Actual 2023 \$
ANNUAL SURPLUS/(DEFICIT)	(16,962)	4,598	46,162
Amortization of tangible capital assets	46,462	46,743	46,462
Acquisition of tangible capital assets	(40,000)	(45,579)	(42,860)
Change in prepaid expenses	-	(788)	(5,088)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(10,500)	4,974	44,676
NET FINANCIAL ASSETS - beginning of year	311,827	311,827	267,151
NET FINANCIAL ASSETS - end of year	301,327	316,801	311,827

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, 2024

	2024 \$	2023 \$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	4,598	46,162
Items not involving cash		
Amortization of tangible capital assets	46,743	46,462
Change in non-cash assets and liabilities		
Due from Municipality	30,087	(35,067)
Accounts receivable	(914)	(1,971)
Prepaid expenses	(788)	(5,088)
Accounts payable and accrued liabilities	(739)	(7,635)
Net change in cash from operating activities	78,987	42,863
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(45,579)	(42,860)
NET CHANGE IN CASH	33,408	3
CASH - beginning of year	470	467
CASH - end of year	33,878	470

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, 2024

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:

- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(c)

(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, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Books	7 years
Software and equipment	3-7 years

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

No amortization is charged in the year of acquisition.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Financial Instruments

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

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

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

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

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

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

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

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Non-Financial Assets

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

(f) Reserves

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

(g) Inter-Entity Transactions

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

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

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

2. TANGIBLE CAPITAL ASSETS

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

	Books \$	Software and Equipment \$	2024 Totals \$	2023 Totals \$
COST				
Balance, beginning of year	269,804	151,441	421,245	406,979
Add: additions during the year	45,579	-	45,579	42,860
Less: disposals during the year	26,930	-	26,930	28,594
Balance, end of year	288,453	151,441	439,894	421,245
ACCUMULATED AMORTIZATION				
Balance, beginning of year	121,940	69,099	191,039	173,171
Add: additions during the year	34,696	12,047	46,743	46,462
Less: disposals during the year	26,930	-	26,930	28,594
Balance, end of year	129,706	81,146	210,852	191,039
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	158,747	70,295	229,042	230,206

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024 \$	2023 \$
Invested In Capital Assets		
Tangible capital assets - net book value	229,042	230,206
Surplus	229,042	230,206
Reserves		
Bequests	45,475	38,751
General	278,123	279,085
Total Reserves	323,598	317,836
	552,640	548,042

4. FINANCIAL INSTRUMENTS

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

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

5. PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 2024 Annual Report disclosed total actuarial liabilities of \$142,489 million in respect of benefits accrued for service with actuarial assets of \$139,576 million indicating an actuarial deficit of \$2,913 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Board does not recognize any share of the OMERS pension surplus or deficit.

The Board's total contributions to OMERS in 2024 were \$43,818 (2023 - \$41,216) of which \$21,909 (2023 - 20,608) was contributed by employees.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

6. INTER-ENTITY TRANSACTIONS

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

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

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

	2024	2023
	\$	\$
Allocated costs:		
Insurance	25,082	24,544
Professional fees	3,562	3,562
	28,644	28,106

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

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

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

7. BUDGET FIGURES

The budget, approved by the Board differs from the budget reflected on the Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Board's approved budget to the annual surplus/(deficit):

	2024
	\$
Board approved budgeted surplus	-
Tangible capital asset additions	40,000
Amortization of tangible capital assets	(46,462)
Transfers to/(from) reserves and reserve funds	(10,500)
Annual surplus/(deficit) reported on the Statement of Operations	(16,962)

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

8. CHANGES IN ACCOUNTING POLICIES

The Board has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the Board's financial statements.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'. The adoption of this standard did not have an impact on the Board's financial statements.

Under PSG-8, an entity may recognize purchased intangibles as an asset in its consolidated financial statements if the intangible meets the asset definition and the general recognition criteria. The adoption of this standard did not have an impact on the Board's financial statements.

9. COMPARATIVE FIGURES

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

**CORPORATION OF THE
MUNICIPALITY OF TRENT HILLS**

CAMPBELLFORD BUSINESS IMPROVEMENT AREA

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Campbellford Business Improvement Area, the Members of Council, Inhabitants and Ratepayers 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, 2024, 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, 2024, 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
August 12, 2025

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA STATEMENT OF FINANCIAL POSITION At December 31, 2024

	2024 \$	2023 \$
FINANCIAL ASSETS		
Cash	20,153	41,312
HST receivable	1,900	733
Due from Municipality of Trent Hills (note 5)	149	-
TOTAL FINANCIAL ASSETS	22,202	42,045
LIABILITIES		
Accounts payable and accrued liabilities	3,105	7,727
Deferred revenue	-	3,870
Due to Municipality of Trent Hills (note 5)	-	3,592
TOTAL LIABILITIES	3,105	15,189
NET FINANCIAL ASSETS	19,097	26,856
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	12,952	15,656
Prepaid expenses	1,878	1,931
TOTAL NON-FINANCIAL ASSETS	14,830	17,587
ACCUMULATED SURPLUS (note 3)	33,927	44,443

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, 2024

	Budget 2024 \$ (note 6)	Actual 2024 \$	Actual 2023 \$
REVENUES			
Municipal contribution (note 5)	49,800	50,149	39,908
Special events	-	540	-
Interest income	1,500	2,532	2,724
Other grants	-	3,870	16,747
TOTAL REVENUES	51,300	57,091	59,379
EXPENSES			
Secretarial support	18,000	18,000	18,000
Promotion and advertising	1,150	5,711	921
Beautification and streetscape	12,465	17,763	6,380
Sponsorships and special events	3,500	3,679	3,435
Christmas program	6,000	6,684	12,118
Professional fees	2,290	2,341	2,391
Insurance	1,925	1,776	1,905
Office	5,970	3,898	2,355
Grant costs	-	5,051	17,635
Amortization	2,704	2,704	6,897
TOTAL EXPENSES	54,004	67,607	72,037
ANNUAL DEFICIT	<u>(2,704)</u>	(10,516)	(12,658)
ACCUMULATED SURPLUS - beginning of year		44,443	57,101
ACCUMULATED SURPLUS - end of year		33,927	44,443

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, 2024

	Budget 2024 \$ (note 6)	Actual 2024 \$	Actual 2023 \$
ANNUAL DEFICIT	(2,704)	(10,516)	(12,658)
Amortization of tangible capital assets	2,704	2,704	6,897
Change in prepaid expenses	-	53	(286)
DECREASE IN NET FINANCIAL ASSETS	-	(7,759)	(6,047)
NET FINANCIAL ASSETS - beginning of year	26,856	26,856	32,903
NET FINANCIAL ASSETS - end of year	26,856	19,097	26,856

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, 2024

	2024	2023
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(10,516)	(12,658)
Items not involving cash		
Amortization of tangible capital assets	2,704	6,897
Change in non-cash assets and liabilities		
Accounts receivable	-	25,000
HST receivable	(1,167)	3,385
Due from Municipality of Trent Hills	(149)	-
Prepaid expenses	53	(286)
Accounts payable and accrued liabilities	(4,622)	(54,170)
Deferred revenue	(3,870)	(480)
Due to Municipality of Trent Hills	(3,592)	3,592
NET CHANGE IN CASH	(21,159)	(28,720)
CASH - beginning of year	41,312	70,032
CASH - end of year	20,153	41,312

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, 2024

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, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, 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, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Financial Instruments

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

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

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

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

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

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

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

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Reserves

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

(h) Inter-Entity Transactions

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

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

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

2. TANGIBLE CAPITAL ASSETS

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

	2024 Christmas Decorations and Banners \$	2023 Christmas Decorations and Banners \$
COST		
Balance, beginning of year	49,842	49,842
Less: disposals during the year	7,084	-
Balance, end of year	42,758	49,842
ACCUMULATED AMORTIZATION		
Balance, beginning of year	34,186	27,289
Add: additions during the year	2,704	6,897
Less: disposals during the year	7,084	-
Balance, end of year	29,806	34,186
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	12,952	15,656

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024	2023
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	12,952	15,656
Reserve		
General	20,975	28,787
	33,927	44,443

4. FINANCIAL INSTRUMENTS

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

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

5. INTER-ENTITY TRANSACTIONS

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

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

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

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

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

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

6. BUDGET FIGURES

The budget, approved by the Board differs from the budget reflected on the Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of organization's approved budget to the annual deficit:

	2024
	\$
Board approved budgeted surplus	-
Amortization of tangible capital assets	(2,704)
Annual deficit reported on the Statement of Operations	(2,704)

7. CHANGE IN ACCOUNTING POLICY

The Board has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the Board's financial statements.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'. The adoption of this standard did not have an impact on the Board's financial statements.

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

**CORPORATION OF THE
MUNICIPALITY OF TRENT HILLS**

TRENT HILLS PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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

INDEPENDENT AUDITOR'S REPORT

**To the Members of the Trent Hills Public Library Board, the
Members of Council, Inhabitants and Ratepayers of the
Municipality of Trent Hills**

**T: (705) 742-3418
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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, 2024, 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, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many Public Library Boards, the Board derives revenue from donations, fines and user fees, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were not able to determine whether any adjustments might be necessary to donations, fines and user fees revenue, annual surplus/(deficit) and cash flows from operations for the years ended December 31, 2024 and 2023, and assets and accumulated surplus as at December 31, 2024 and 2023. Our opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this scope limitation.

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

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

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

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

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

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Peterborough

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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
August 12, 2025

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2024

	2024 \$	2023 \$
FINANCIAL ASSETS		
Cash	33,878	470
Due from Municipality (note 6)	302,356	332,443
Accounts receivable	6,684	5,770
TOTAL FINANCIAL ASSETS	342,918	338,683
LIABILITIES		
Accounts payable and accrued liabilities	26,117	26,856
NET FINANCIAL ASSETS	316,801	311,827
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	229,042	230,206
Prepaid expenses	6,797	6,009
TOTAL NON-FINANCIAL ASSETS	235,839	236,215
ACCUMULATED SURPLUS (note 3)	552,640	548,042

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, 2024

	Budget 2024 \$ (note 7)	Actual 2024 \$	Actual 2023 \$
REVENUES			
Municipal contribution (note 6)			
Annual contribution	635,242	635,242	617,455
Development charges earned	-	-	25,947
Provincial grants	33,218	33,099	33,099
Other grants	-	6,684	5,770
Facilities rental	2,500	5,110	2,420
User fees	2,750	5,444	4,879
Donations	-	15,859	12,899
Fines	-	142	61
Investment income	-	2,810	1,947
Sale of books	500	525	735
Non-resident fees	325	555	505
TOTAL REVENUES	674,535	705,470	705,717
EXPENSES			
Salaries and benefits	476,467	493,468	455,627
Utilities	34,400	35,388	37,111
Office	13,470	13,841	14,605
Professional fees (note 6)	3,562	3,562	3,562
Insurance (note 6)	26,017	25,082	24,544
Periodicals, e-book fees and other	28,500	25,560	24,836
Contracts	8,849	8,108	7,430
Literacy and connectivity grants	5,720	11,177	11,193
Amortization	46,462	46,743	46,462
Book processing and computer services	34,050	27,224	24,917
Conferences, training and travel	5,500	2,753	6,024
Repairs, maintenance and security	8,500	7,966	3,244
TOTAL EXPENSES	691,497	700,872	659,555
ANNUAL SURPLUS/(DEFICIT)	<u>(16,962)</u>	4,598	46,162
ACCUMULATED SURPLUS - beginning of year		548,042	501,880
ACCUMULATED SURPLUS - end of year		552,640	548,042

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, 2024

	Budget 2024 \$ (note 7)	Actual 2024 \$	Actual 2023 \$
ANNUAL SURPLUS/(DEFICIT)	(16,962)	4,598	46,162
Amortization of tangible capital assets	46,462	46,743	46,462
Acquisition of tangible capital assets	(40,000)	(45,579)	(42,860)
Change in prepaid expenses	-	(788)	(5,088)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(10,500)	4,974	44,676
NET FINANCIAL ASSETS - beginning of year	311,827	311,827	267,151
NET FINANCIAL ASSETS - end of year	301,327	316,801	311,827

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, 2024

	2024 \$	2023 \$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	4,598	46,162
Items not involving cash		
Amortization of tangible capital assets	46,743	46,462
Change in non-cash assets and liabilities		
Due from Municipality	30,087	(35,067)
Accounts receivable	(914)	(1,971)
Prepaid expenses	(788)	(5,088)
Accounts payable and accrued liabilities	(739)	(7,635)
Net change in cash from operating activities	78,987	42,863
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(45,579)	(42,860)
NET CHANGE IN CASH	33,408	3
CASH - beginning of year	470	467
CASH - end of year	33,878	470

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, 2024

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:

- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(c)

(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, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Books	7 years
Software and equipment	3-7 years

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

No amortization is charged in the year of acquisition.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Financial Instruments

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

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

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

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

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

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

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

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Non-Financial Assets

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

(f) Reserves

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

(g) Inter-Entity Transactions

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

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

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

2. TANGIBLE CAPITAL ASSETS

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

	Books \$	Software and Equipment \$	2024 Totals \$	2023 Totals \$
COST				
Balance, beginning of year	269,804	151,441	421,245	406,979
Add: additions during the year	45,579	-	45,579	42,860
Less: disposals during the year	26,930	-	26,930	28,594
Balance, end of year	288,453	151,441	439,894	421,245
ACCUMULATED AMORTIZATION				
Balance, beginning of year	121,940	69,099	191,039	173,171
Add: additions during the year	34,696	12,047	46,743	46,462
Less: disposals during the year	26,930	-	26,930	28,594
Balance, end of year	129,706	81,146	210,852	191,039
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	158,747	70,295	229,042	230,206

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024 \$	2023 \$
Invested In Capital Assets		
Tangible capital assets - net book value	229,042	230,206
Surplus	229,042	230,206
Reserves		
Bequests	45,475	38,751
General	278,123	279,085
Total Reserves	323,598	317,836
	552,640	548,042

4. FINANCIAL INSTRUMENTS

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

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

5. PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 2024 Annual Report disclosed total actuarial liabilities of \$142,489 million in respect of benefits accrued for service with actuarial assets of \$139,576 million indicating an actuarial deficit of \$2,913 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Board does not recognize any share of the OMERS pension surplus or deficit.

The Board's total contributions to OMERS in 2024 were \$43,818 (2023 - \$41,216) of which \$21,909 (2023 - 20,608) was contributed by employees.

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

6. INTER-ENTITY TRANSACTIONS

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

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

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

	2024	2023
	\$	\$
Allocated costs:		
Insurance	25,082	24,544
Professional fees	3,562	3,562
	28,644	28,106

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

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

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

7. BUDGET FIGURES

The budget, approved by the Board differs from the budget reflected on the Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Board's approved budget to the annual surplus/(deficit):

	2024
	\$
Board approved budgeted surplus	-
Tangible capital asset additions	40,000
Amortization of tangible capital assets	(46,462)
Transfers to/(from) reserves and reserve funds	(10,500)
Annual surplus/(deficit) reported on the Statement of Operations	(16,962)

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TRENT HILLS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

8. CHANGES IN ACCOUNTING POLICIES

The Board has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the Board's financial statements.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'. The adoption of this standard did not have an impact on the Board's financial statements.

Under PSG-8, an entity may recognize purchased intangibles as an asset in its consolidated financial statements if the intangible meets the asset definition and the general recognition criteria. The adoption of this standard did not have an impact on the Board's financial statements.

9. COMPARATIVE FIGURES

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

**CORPORATION OF THE
MUNICIPALITY OF TRENT HILLS**

CAMPBELLFORD BUSINESS IMPROVEMENT AREA

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Campbellford Business Improvement Area, the Members of Council, Inhabitants and Ratepayers 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, 2024, 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, 2024, 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
August 12, 2025

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA STATEMENT OF FINANCIAL POSITION At December 31, 2024

	2024 \$	2023 \$
FINANCIAL ASSETS		
Cash	20,153	41,312
HST receivable	1,900	733
Due from Municipality of Trent Hills (note 5)	149	-
TOTAL FINANCIAL ASSETS	22,202	42,045
LIABILITIES		
Accounts payable and accrued liabilities	3,105	7,727
Deferred revenue	-	3,870
Due to Municipality of Trent Hills (note 5)	-	3,592
TOTAL LIABILITIES	3,105	15,189
NET FINANCIAL ASSETS	19,097	26,856
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	12,952	15,656
Prepaid expenses	1,878	1,931
TOTAL NON-FINANCIAL ASSETS	14,830	17,587
ACCUMULATED SURPLUS (note 3)	33,927	44,443

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, 2024

	Budget 2024 \$ (note 6)	Actual 2024 \$	Actual 2023 \$
REVENUES			
Municipal contribution (note 5)	49,800	50,149	39,908
Special events	-	540	-
Interest income	1,500	2,532	2,724
Other grants	-	3,870	16,747
TOTAL REVENUES	51,300	57,091	59,379
EXPENSES			
Secretarial support	18,000	18,000	18,000
Promotion and advertising	1,150	5,711	921
Beautification and streetscape	12,465	17,763	6,380
Sponsorships and special events	3,500	3,679	3,435
Christmas program	6,000	6,684	12,118
Professional fees	2,290	2,341	2,391
Insurance	1,925	1,776	1,905
Office	5,970	3,898	2,355
Grant costs	-	5,051	17,635
Amortization	2,704	2,704	6,897
TOTAL EXPENSES	54,004	67,607	72,037
ANNUAL DEFICIT	<u>(2,704)</u>	(10,516)	(12,658)
ACCUMULATED SURPLUS - beginning of year		44,443	57,101
ACCUMULATED SURPLUS - end of year		33,927	44,443

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, 2024

	Budget 2024 \$ (note 6)	Actual 2024 \$	Actual 2023 \$
ANNUAL DEFICIT	(2,704)	(10,516)	(12,658)
Amortization of tangible capital assets	2,704	2,704	6,897
Change in prepaid expenses	-	53	(286)
DECREASE IN NET FINANCIAL ASSETS	-	(7,759)	(6,047)
NET FINANCIAL ASSETS - beginning of year	26,856	26,856	32,903
NET FINANCIAL ASSETS - end of year	26,856	19,097	26,856

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, 2024

	2024	2023
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(10,516)	(12,658)
Items not involving cash		
Amortization of tangible capital assets	2,704	6,897
Change in non-cash assets and liabilities		
Accounts receivable	-	25,000
HST receivable	(1,167)	3,385
Due from Municipality of Trent Hills	(149)	-
Prepaid expenses	53	(286)
Accounts payable and accrued liabilities	(4,622)	(54,170)
Deferred revenue	(3,870)	(480)
Due to Municipality of Trent Hills	(3,592)	3,592
NET CHANGE IN CASH	(21,159)	(28,720)
CASH - beginning of year	41,312	70,032
CASH - end of year	20,153	41,312

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, 2024

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, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, 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, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Financial Instruments

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

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

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

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

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

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

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

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Reserves

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

(h) Inter-Entity Transactions

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

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

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

2. TANGIBLE CAPITAL ASSETS

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

	2024 Christmas Decorations and Banners \$	2023 Christmas Decorations and Banners \$
COST		
Balance, beginning of year	49,842	49,842
Less: disposals during the year	7,084	-
Balance, end of year	42,758	49,842
ACCUMULATED AMORTIZATION		
Balance, beginning of year	34,186	27,289
Add: additions during the year	2,704	6,897
Less: disposals during the year	7,084	-
Balance, end of year	29,806	34,186
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	12,952	15,656

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024 \$	2023 \$
Invested In Capital Assets		
Tangible capital assets - net book value	12,952	15,656
Reserve		
General	20,975	28,787
	33,927	44,443

4. FINANCIAL INSTRUMENTS

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

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

5. INTER-ENTITY TRANSACTIONS

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

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

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

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

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

CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

CAMPBELLFORD BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

6. BUDGET FIGURES

The budget, approved by the Board differs from the budget reflected on the Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of organization's approved budget to the annual deficit:

	2024
	\$
Board approved budgeted surplus	-
Amortization of tangible capital assets	(2,704)
Annual deficit reported on the Statement of Operations	(2,704)

7. CHANGE IN ACCOUNTING POLICY

The Board has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the Board's financial statements.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'. The adoption of this standard did not have an impact on the Board's financial statements.

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