

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

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CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

For The Year Ended December 31, 2024

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Municipality of Centre Hastings 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 Centre Hastings. 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/Deputy CAO

June 18, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Municipality of Centre Hastings

Opinion

We have audited the consolidated financial statements of the Corporation of the Municipality of Centre Hastings and its local board (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 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

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 18, 2025



CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2024

	2024 \$	2023 \$
FINANCIAL ASSETS		
Cash	5,742,071	6,213,925
Investments (note 4)	927,955	887,618
Accounts receivable	1,396,108	736,080
Taxes receivable	1,210,315	776,176
TOTAL FINANCIAL ASSETS	9,276,449	8,613,799
LIABILITIES		
Accounts payable and accrued liabilities	2,007,202	1,466,888
Deferred revenue - obligatory reserve funds (note 7)	1,548,825	1,268,249
Deferred revenue - other (note 8)	352,259	175,615
Long term debt (note 9)	72,884	213,742
Asset retirement obligation (note 17)	470,700	450,900
TOTAL LIABILITIES	4,451,870	3,575,394
NET FINANCIAL ASSETS	4,824,579	5,038,405
NON-FINANCIAL ASSETS		
Tangible capital assets (note 11)	29,627,666	27,722,556
Prepaid expenses	5,079	21,755
TOTAL NON-FINANCIAL ASSETS	29,632,745	27,744,311
	34,457,324	32,782,716
Comprised of:		
Accumulated surplus (note 12)	34,482,313	32,840,798
Accumulated remeasurement gains/(losses)	(24,989)	(58,082)
	34,457,324	32,782,716

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2024

	Budget 2024 \$ (note 6)	Actual 2024 \$	Actual 2023 \$
REVENUES			
Property taxation	6,318,701	6,550,389	5,905,219
User charges	1,830,315	1,972,481	1,871,633
Government of Canada	646,050	198,083	192,628
Province of Ontario	2,888,757	2,548,933	2,007,127
Other municipalities	205,566	382,065	226,949
Penalties and interest on taxes	127,000	170,228	118,846
Investment income	101,000	297,139	306,182
Donations	17,500	70,590	24,769
Other	34,417	45,274	104,781
Development charges earned (note 7)	-	-	207,000
Parkland fees earned (note 7)	-	-	27,163
Canada Community-Building Fund earned (note 7)	84,595	242,876	-
TOTAL REVENUES	12,253,901	12,478,058	10,992,297
EXPENSES			
General government	1,222,649	1,492,281	1,245,284
Protection services	1,776,313	1,824,247	1,682,230
Transportation services	3,615,821	3,681,645	3,955,853
Environmental services	2,136,358	1,989,474	1,393,605
Health services	386,111	420,339	366,193
Recreation and cultural services	1,335,273	1,234,098	1,320,750
Planning and development	169,950	143,080	135,955
TOTAL EXPENSES	10,642,475	10,785,164	10,099,870
ANNUAL SURPLUS	1,611,426	1,692,894	892,427
ACCUMULATED SURPLUS - beginning of year		32,840,798	31,948,371
ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD (note 18)		(51,379)	-
ACCUMULATED SURPLUS - beginning of year, as restated		32,789,419	31,948,371
ACCUMULATED SURPLUS - end of year		34,482,313	32,840,798

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended December 31, 2024

	2024 \$	2023 \$
ACCUMULATED REMEASUREMENT LOSSES - beginning of year	(58,082)	-
Adjustment on adoption of the financial instruments standard	-	(81,929)
Unrealized gain/(loss) on portfolio investments during the year	46,647	26,597
Realized losses, reclassified to the statement of operations	(13,554)	(2,750)
Net change in remeasurement gains (losses) for the year	33,093	23,847
ACCUMULATED REMEASUREMENT LOSSES - end of year	(24,989)	(58,082)

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2024

	Budget 2024 \$ (note 6)	Actual 2024 \$	Actual 2023 \$
ANNUAL SURPLUS	1,611,426	1,692,894	892,427
Amortization of tangible capital assets	2,011,958	1,970,683	2,026,550
Purchase of tangible capital assets	(4,526,855)	(4,011,351)	(2,514,561)
(Gain) loss on disposal of tangible capital assets	-	110,384	9,327
Proceeds on sale of tangible capital assets	-	25,174	8,600
Change in prepaid expenses	-	16,676	128,883
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(903,471)	(195,540)	551,226
NET FINANCIAL ASSETS - beginning of year	5,038,405	5,038,405	4,983,028
ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD	-	-	(437,767)
ADJUSTMENT ON ADOPTION OF THE FINANCIAL INSTRUMENTS STANDARD	-	-	(81,929)
ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD (note 18)	-	(51,379)	-
NET FINANCIAL ASSETS - beginning of year, as restated	5,038,405	4,987,026	4,463,332
INCREASE IN ACCUMULATED REMEASUREMENT GAINS	-	33,093	23,847
NET FINANCIAL ASSETS - end of year	4,134,934	4,824,579	5,038,405

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024

	2024 \$	2023 \$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	1,692,894	892,427
Items not involving cash		
Amortization of tangible capital assets	1,970,683	2,026,550
Loss on disposal of tangible capital assets	110,384	9,327
Accretion expense	19,800	13,133
Change in landfill closure and post-closure liability	-	(353,200)
Change in non-cash assets and liabilities		
Accounts receivable	(660,028)	507,591
Taxes receivable	(434,139)	(117,263)
Prepaid expenses	16,676	128,883
Accounts payable and accrued liabilities	540,314	246,611
Deferred revenue - obligatory reserve funds	280,576	343,260
Deferred revenue - other	125,265	(249,959)
Net change in cash from operating activities	3,662,425	3,447,360
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(4,011,351)	(2,514,561)
Proceeds on disposal of tangible capital assets	25,174	8,600
Net change in cash from capital activities	(3,986,177)	(2,505,961)
INVESTING ACTIVITIES		
Purchase of investments	(181,404)	(44,778)
Proceeds on disposal of investments	174,160	28,574
Net change in cash from investing activities	(7,244)	(16,204)
FINANCING ACTIVITIES		
Debt principal repayments	(140,858)	(134,555)
NET CHANGE IN CASH	(471,854)	790,640
CASH - beginning of year	6,213,925	5,423,285
CASH - end of year	5,742,071	6,213,925

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

The Municipality of Centre Hastings 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:

- Centre Hastings Public Library Board

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

(b) 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	15-20 years
Buildings	40-60 years
Buildings improvements	20-30 years
Machinery and equipment	3-20 years
Vehicles	8-10 years
Roads and bridges	7-50 years
Water and sewer	40-50 years

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

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

(c) 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.

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of revenues and expenses

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

Property taxation

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

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

Government funding

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

Other revenue

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

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

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

(e) 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.

(f) Reserves

Certain amounts, as approved by Council, 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) 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.

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) 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(i) and related costs added to tangible capital assets - See Note 1(b)
- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(b)

(i) 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.

(j) 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
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 Consolidated 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 Consolidated Statement of Operations and Accumulated Surplus and related balances reversed from the Consolidated Statement of Remeasurement Gains and Losses.

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

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.

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2024, requisitions were made by the County of Hastings 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 and payments in lieu requisitioned and remitted	1,076,960	1,858,265

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

3. 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 \$1,000,000 via an operating line of credit. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2024-01. At December 31, 2024 there was no balance outstanding (2023 - \$Nil).

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

4. INVESTMENTS

Investments consist of the following:

	Level (note 1(j))	2024 \$	2023 \$
Investments held at amortized cost			
BMO Nesbitt Burns - cash		68,105	29,008
Investments held at market value			
BMO Nesbitt Burns - bond portfolio	1	859,850	858,610
		927,955	887,618

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

5. 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 \$381,150 (2023 - \$315,050) of which \$190,575 (2023 - \$157,525) was contributed by employees.

6. 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	4,526,855
Amortization of tangible capital assets	(2,011,958)
Principal repayment of long term debt	140,860
Transfers to/(from) reserves	(487,250)
Change in unfunded capital	(557,081)
Annual budgeted surplus reported on the Consolidated Statement of Operations	1,611,426

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

7. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Municipality are summarized below:

	2024	2023
	\$	\$
Parkland fees	133,881	106,681
Development charges	648,600	488,665
Canada Community-Building Fund	766,344	672,903
	1,548,825	1,268,249

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

	2024	2023
	\$	\$
Balance - beginning of year	1,268,249	924,989
Add amounts received:		
Development charges	132,158	155,500
Parkland fees	27,200	65,750
Canada Community-Building Fund	300,198	303,107
Interest	63,896	53,066
	523,452	577,423
Less transfer to operations:		
Development charges earned	-	207,000
Parkland fees earned	-	27,163
Canada Community-Building Fund earned	242,876	-
	242,876	234,163
Balance - end of year	1,548,825	1,268,249

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

8. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2024	2023
	\$	\$
OCIF	252,183	121,908
Ontario Cannabis Legalization Implementation Fund	20,000	20,000
Friends of the Library donation	2,424	-
Safe Restart	-	33,707
Building permit fees	77,652	-
	352,259	175,615

The continuity of deferred revenue - other is as follows:

	2024	2023
	\$	\$
Balance - beginning of year	175,615	425,574
Adjustment to opening balance (note 18)	51,379	-
Add amounts received:		
OCIF	385,272	445,608
Friends of the Library donation	2,424	-
CFDC	-	20,000
Other	-	531
Building permit fees	105,912	-
	493,608	466,139
Less transfer to operations:		
OCIF	254,997	550,542
Safe Restart	33,707	35,000
Cenotaph accessibility ramp grant	-	78,620
CFDC	-	50,000
Other	-	1,936
Building permit fees	79,639	-
	368,343	716,098
Balance - end of year	352,259	175,615

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

9. LONG TERM DEBT

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

	2024	2023
	\$	\$

Debenture from Ontario Infrastructure Projects Corporation, repayable in blended semi-annual instalments of \$74,571 with interest at 4.63% per annum, due May 20, 2025. Secured by the Tri Area Medical Centre building.

72,884	213,742
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- (b) The long term debt in (a) issued in the name of the Municipality has been approved by by-law. The annual principal and interest payments required to service this liability is 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 \$8,284 (2023 - \$14,587).

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

	Principal \$	Interest \$	Total \$
2025	72,884	1,688	74,572

10. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$162,019 (2023 - \$155,392) 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.

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

11. TANGIBLE CAPITAL ASSETS

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

	2024	2023
	\$	\$
General		
Land and land improvements	1,581,897	1,560,130
Buildings and building improvements	6,253,764	6,125,792
Machinery and equipment	1,699,383	1,636,840
Vehicles	1,727,784	1,117,113
Infrastructure		
Roads and bridges	11,159,245	12,078,607
Water and sewer	4,839,816	4,797,754
	27,261,889	27,316,236
Assets under construction	2,365,777	406,320
	29,627,666	27,722,556

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) and no contributed assets (2023 - \$Nil).

The allocation of tangible capital assets by segment is as follows:

	2024	2023
	\$	\$
General government	579,290	571,288
Protection services	888,052	1,020,365
Transportation services	14,753,819	13,298,284
Environmental services	7,176,011	6,759,133
Health services	2,901,361	2,926,172
Recreation and cultural services	3,156,849	2,975,030
Planning and development	172,284	172,284
	29,627,666	27,722,556

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

12. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2024	2023
	\$	\$
Surplus/(Deficit)		
Landfill cover material	(214,790)	(234,790)
Centre Hastings Public Library Board	45,327	50,274
	(169,463)	(184,516)
Invested In Capital Assets		
Tangible capital assets - net book value	29,627,666	27,722,556
Long term debt	(72,884)	(213,742)
Unfunded capital - see part (b) below	(2,570,211)	(1,759,238)
Unfunded asset retirement obligation	(470,700)	(450,900)
	26,513,871	25,298,676
Surplus	26,344,408	25,114,160
Reserves		
Working fund	2,076,776	1,899,134
General capital	796,427	763,135
Emergency measures	83,168	66,881
Fire capital	351,747	256,930
Roads capital	1,097,243	912,918
OMERS - past service	4,512	4,512
Recreation	89,247	93,506
Landfill	45,679	34,800
Arena	101,221	205,504
Whytock recreation	400,156	297,738
Septage	1,145,000	1,145,000
Waste disposal equipment	128,059	90,007
Nesbitt Burns	952,943	945,699
Hydro sale	49,251	49,251
Tax write-off	171,400	171,400
Cemeteries	63,112	57,014
Water and sewer	430,928	599,548
Tri Area Medical Centre	77,156	82,781
Election	15,534	10,534
Economic development	58,346	40,346
Total Reserves	8,137,905	7,726,638
	34,482,313	32,840,798

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

12. ACCUMULATED SURPLUS, continued

(b) Unfunded capital consists of the following:

	2024	2023
	\$	\$
Whytock Park bridge	(69,813)	(94,814)
Tri Area Medical Centre	(114,182)	(199,812)
Weed harvesting	(19,001)	(29,001)
Fire department truck chassis	-	(10,988)
Landfill compactor	(82,832)	(102,832)
Splash pad	(37,100)	(62,100)
Garbage truck	(442,175)	-
Arts centre building	(29,200)	(54,200)
Roads vehicles	(378,190)	-
Roads	(5,833)	(35,833)
Marmora Street well	(1,153,357)	(1,169,658)
Remediation of LTC property	(238,528)	-
	(2,570,211)	(1,759,238)

13. 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 6)	Actual 2024 \$	Actual 2023 \$
Salaries and benefits	3,447,882	3,292,121	3,115,765
Interest charges	8,290	8,284	14,587
Materials	3,474,582	3,687,926	3,718,591
Contracted services	1,583,300	1,560,991	1,120,903
Rents and financial	2,400	24,977	13,774
External transfers	114,063	129,798	80,373
Amortization	2,011,958	1,970,683	2,026,550
Loss (gain) on disposal of tangible capital assets	-	110,384	9,327
	10,642,475	10,785,164	10,099,870

14. 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 CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

15. SEGMENTED INFORMATION

The Municipality of Centre Hastings 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, ambulance base 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 and street lighting.

Water and Sewer

This function is responsible for providing water and sewer services to the urban area in the Municipality.

Other Environmental Services

This function is responsible for providing waste collection, waste disposal and recycling services to the Municipality.

Health Services

The health services function consists of cemeteries and external transfers to the local medical centre.

Recreation and Cultural Services

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

Planning and Development

The planning and development services function manages commercial, industrial and residential development within the Municipality.

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

16. 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 value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise.

(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.

In the opinion of management the credit risk exposure to the organization is low and is not material.

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

17. 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 remaining closure costs of the site have been recognized under PS 3280 – Asset Retirement Obligations. The costs have been estimated based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 25 years after the closure date using a discount rate of 4.38% and an inflation rate of 3%. The site is projected to close in 2087.

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

	Landfill closure and post- closure 2024 \$	Landfill closure and post- closure 2023 \$
Asset Retirement Obligation		
Opening balance	450,900	-
Adjustment on adoption of the asset retirement obligation standard	-	437,767
Accretion expense	19,800	13,133
Closing balance	470,700	450,900

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

18. 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 \$51,379 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.

19. SUBSEQUENT EVENT

In March 2025, the Municipality authorized the submission of an application to the Ontario Infrastructure and Lands Corporation (OILC) for financing of capital works occurring during 2025 and 2026. The application was for \$3.1 million and was authorized under Centre Hastings by-law 2025-29. Borrowing of the funds is expected to occur after the project completion in 2026.

20. COMMITMENT

Related to the OILC application for financing under Centre Hastings by-law 2025-29, the Municipality entered into a construction contract for capital works, namely rehabilitation of sections of St. Lawrence Street and Durham Street. The tender, PW-ENV-2025-1, was awarded at a bid price of \$7,365,000 plus HST.

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2024

	General				Infrastructure			
	Land and Land Improvements \$	Buildings and Building Improvements \$	Machinery and Equipment \$	Vehicles \$	Roads and Bridges \$	Water and Sewer \$	Assets Under Construction \$	Totals \$
COST								
Balance, beginning of year	2,364,184	9,378,489	3,218,890	3,081,057	46,550,753	7,173,534	406,320	72,173,227
Add: additions during the year	99,526	84,865	292,993	810,457	364,998	162,492	2,196,020	4,011,351
Less: disposals during the year	56,462	-	96,944	281,464	360,714	-	-	795,584
Transfers from assets under construction	-	236,563	-	-	-	-	(236,563)	-
Balance, end of year	2,407,248	9,699,917	3,414,939	3,610,050	46,555,037	7,336,026	2,365,777	75,388,994
ACCUMULATED AMORTIZATION								
Balance, beginning of year	804,054	3,252,697	1,582,050	1,963,944	34,472,146	2,375,780	-	44,450,671
Add: additions during the year	73,289	193,456	206,878	190,007	1,186,623	120,430	-	1,970,683
Less: disposals during the year	51,992	-	73,372	271,685	262,977	-	-	660,026
Balance, end of year	825,351	3,446,153	1,715,556	1,882,266	35,395,792	2,496,210	-	45,761,328
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,581,897	6,253,764	1,699,383	1,727,784	11,159,245	4,839,816	2,365,777	29,627,666

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2024

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	(184,062)	1,552,393	3,162,880	-	575,450	290,478	924,785	228,465	6,550,389
User charges	29,621	157,505	12,319	968,233	304,380	214,442	267,981	18,000	1,972,481
Government transfers - operating	1,252,000	34,044	2,317	2,322	-	-	21,281	3,840	1,315,804
Government transfers - capital	-	-	1,431,212	-	-	-	-	-	1,431,212
Other municipalities	20,000	39,463	-	-	39,859	40,243	242,500	-	382,065
Penalties and interest on taxes	170,228	-	-	-	-	-	-	-	170,228
Investment income	292,695	-	-	-	-	4,444	-	-	297,139
Donations	14,074	14,417	-	-	-	25	42,074	-	70,590
Other	-	1,080	43,874	-	-	320	-	-	45,274
Canada Community-Building Fund earned	-	-	242,876	-	-	-	-	-	242,876
Total revenues	1,594,556	1,798,902	4,895,478	970,555	919,689	549,952	1,498,621	250,305	12,478,058
Expenses									
Salaries and benefits	796,509	460,553	825,499	291,139	248,069	34,378	547,935	88,039	3,292,121
Interest charges	-	-	-	-	-	8,284	-	-	8,284
Materials	623,731	341,155	1,341,413	433,372	161,925	296,354	442,105	47,871	3,687,926
Contracted services	7,490	806,853	103,419	267,700	339,664	-	28,695	7,170	1,560,991
Rents and financial	-	-	377	-	19,800	-	4,800	-	24,977
External transfers	43,200	85,598	-	-	-	1,000	-	-	129,798
Amortization	21,351	132,313	1,304,471	167,574	63,256	80,323	201,395	-	1,970,683
Loss (gain) on disposal of tangible capital assets	-	(2,225)	106,466	(3,025)	-	-	9,168	-	110,384
Total expenses	1,492,281	1,824,247	3,681,645	1,156,760	832,714	420,339	1,234,098	143,080	10,785,164
Net surplus/(deficit)	102,275	(25,345)	1,213,833	(186,205)	86,975	129,613	264,523	107,225	1,692,894

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2023

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	846,998	171,605	3,290,830	97,310	441,800	80,076	848,975	127,625	5,905,219
User charges	24,182	179,450	33,871	916,913	236,846	207,461	243,081	29,829	1,871,633
Government transfers - operating	-	1,303,945	80,790	-	-	-	69,182	-	1,453,917
Government transfers - capital	11,858	-	728,383	-	-	-	5,597	-	745,838
Other municipalities	-	68,256	-	-	35,585	34,709	88,399	-	226,949
Penalties and interest on taxes	118,846	-	-	-	-	-	-	-	118,846
Investment income	301,931	-	-	-	-	4,251	-	-	306,182
Donations	19,585	2,639	-	-	-	100	2,445	-	24,769
Other	1,558	10,946	32,426	-	-	350	58,306	1,195	104,781
Development charges earned	-	207,000	-	-	-	-	-	-	207,000
Parkland fees earned	-	-	-	-	-	-	27,163	-	27,163
Total revenues	1,324,958	1,943,841	4,166,300	1,014,223	714,231	326,947	1,343,148	158,649	10,992,297
Expenses									
Salaries and benefits	720,905	437,598	753,956	294,753	233,283	36,408	548,500	90,362	3,115,765
Interest charges	-	-	-	-	-	14,587	-	-	14,587
Materials	388,691	283,049	1,822,530	244,956	157,883	230,652	545,237	45,593	3,718,591
Contracted services	2,938	779,983	84,665	269,282	(41,785)	-	25,820	-	1,120,903
Rents and financial	-	-	641	-	13,133	-	-	-	13,774
External transfers	6,254	69,479	-	-	-	4,640	-	-	80,373
Amortization	108,569	112,121	1,294,061	166,173	64,527	79,906	201,193	-	2,026,550
Loss (gain) on disposal of tangible capital assets	17,927	-	-	-	(8,600)	-	-	-	9,327
Total expenses	1,245,284	1,682,230	3,955,853	975,164	418,441	366,193	1,320,750	135,955	10,099,870
Net surplus/(deficit)	79,674	261,611	210,447	39,059	295,790	(39,246)	22,398	22,694	892,427

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Municipality of Centre Hastings

Opinion

We have audited the financial statements of the Trust Funds of the Corporation of the Municipality of Centre Hastings (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.

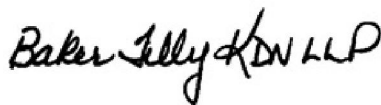
Auditor's Responsibilities for the Audit of the Financial Statements

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
June 18, 2025

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2024

	Perpetual Care \$	Monument \$	2024 Total \$	2023 Total \$
FINANCIAL ASSETS				
Cash	2,347	-	2,347	2,347
Investments (note 2)	159,073	8,883	167,956	161,328
	161,420	8,883	170,303	163,675
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to Municipality	7,340	944	8,284	8,283
FUND BALANCE	154,080	7,939	162,019	155,392
	161,420	8,883	170,303	163,675

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

	Perpetual Care \$	Monument \$	2024 Total \$	2023 Total \$
BALANCES - beginning of year	149,155	6,237	155,392	157,343
RECEIPTS				
Investment income	4,483	304	4,787	4,655
Transfer from Municipality	2,240	1,300	3,540	1,160
Unrealized gain	2,877	425	3,302	-
	9,600	2,029	11,629	5,815
EXPENSES				
Transfer to Municipality	4,176	268	4,444	4,250
Administration fees	499	59	558	507
Unrealized loss	-	-	-	3,009
	4,675	327	5,002	7,766
BALANCES - end of year	154,080	7,939	162,019	155,392

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

TRUST FUNDS

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.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Use of Estimates

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

2. INVESTMENTS

Investments in mutual funds, consist of the following:

	2024 Market value \$	2023 Market value \$
Perpetual care fund	159,073	154,149
Monument fund	8,883	7,179
	167,956	161,328

3. CARE AND MAINTENANCE FUNDS

The Perpetual Care and Maintenance Funds administered by the Municipality are funded by the sale of cemetery plots, monuments, markers and niches. These funds are invested and earnings derived there from are used to perform care and maintenance for the Municipality's cemeteries. The operations and investments of the Fund are undertaken by the Municipality in accordance with the regulations of the Funeral, Burial and Cremation Services Act, 2002.

4. CEMETERY MONUMENT FUND

The Monument Fund administered by the Municipality is funded by the sale of markers and monuments. These funds are invested and earnings derived there from are used to perform maintenance to the markers and monuments in the Municipality's cemeteries. The operations and investments of the Fund are undertaken by the Municipality in accordance with the regulations of the Funeral, Burial and Cremation Services Act, 2002.

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**

CENTRE HASTINGS 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 Centre Hastings Public Library Board,
the Members of Council, Inhabitants and Ratepayers of the
Corporation of the Municipality of Centre Hastings**

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Qualified Opinion

We have audited the financial statements of the Centre Hastings Public Library Board of the Corporation of the Municipality of Centre Hastings (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 and fundraising, 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 and fundraising 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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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 18, 2025

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CENTRE HASTINGS PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2024

	2024 \$	2023 \$
FINANCIAL ASSETS		
Cash	-	51,274
Due from (to) Municipality (note 3)	47,752	2,030
TOTAL FINANCIAL ASSETS	47,752	53,304
LIABILITIES		
Accounts payable	-	3,030
Deferred revenue	2,425	-
TOTAL LIABILITIES	2,425	3,030
NET FINANCIAL ASSETS	45,327	50,274
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	56,250	51,218
ACCUMULATED SURPLUS (note 5)	101,577	101,492

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CENTRE HASTINGS PUBLIC LIBRARY BOARD

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2024

	Budget 2024 \$ (note 6)	Actual 2024 \$	Actual 2023 \$
REVENUES			
Municipality of Centre Hastings contribution (note 3)			
Levy	104,587	104,587	100,190
Allocated repairs and maintenance	-	12,317	18,363
Township of Madoc contribution	44,823	44,823	42,939
Government of Canada	-	1,988	-
Province of Ontario	11,462	11,462	11,462
Other grants	1,500	3,196	2,281
User fees	13,200	16,346	15,313
Donations and fundraising	1,000	11,948	1,703
TOTAL REVENUES	176,572	206,667	192,251
EXPENSES			
Salaries and benefits	131,762	131,654	124,216
Supplies and services	23,740	26,052	26,454
Periodicals and collection repair	700	444	1,303
Repairs and maintenance	2,470	19,268	14,558
Amortization	19,420	16,847	19,420
Allocated repairs and maintenance (note 3)	-	12,317	18,363
TOTAL EXPENSES	178,092	206,582	204,314
ANNUAL SURPLUS/(DEFICIT)	<u>(1,520)</u>	85	(12,063)
ACCUMULATED SURPLUS - beginning of year		101,492	113,555
ACCUMULATED SURPLUS - end of year		101,577	101,492

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CENTRE HASTINGS PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2024

	Budget 2024 \$ (note 6)	Actual 2024 \$	Actual 2023 \$
ANNUAL SURPLUS/(DEFICIT)	(1,520)	85	(12,063)
Amortization of tangible capital assets	19,420	16,847	19,420
Acquisition of tangible capital assets	(17,900)	(21,879)	(18,245)
DECREASE IN NET FINANCIAL ASSETS	-	(4,947)	(10,888)
NET FINANCIAL ASSETS - beginning of year	50,274	50,274	61,162
NET FINANCIAL ASSETS - end of year	50,274	45,327	50,274

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CENTRE HASTINGS 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/(deficit)	85	(12,063)
Items not involving cash		
Amortization of tangible capital assets	16,847	19,420
Change in non-cash assets and liabilities		
Due from Municipality	(45,722)	3,174
Accounts payable	(3,030)	554
Deferred revenue	2,425	-
Net change in cash from operating activities	(29,395)	11,085
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(21,879)	(18,245)
NET CHANGE IN CASH	(51,274)	(7,160)
CASH - beginning of year	51,274	58,434
CASH - end of year	-	51,274

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CENTRE HASTINGS 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.

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

Donations and fundraising revenue is recognized when the amounts are received.

Government funding and 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

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(d)

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) 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 (to) Municipality	Amortized Cost
Accounts payable	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 CENTRE HASTINGS

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) 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
Furniture and equipment	5 years

(e) Deferred revenue

Deferred revenue represents grants which have been received but for which the related expenditures have not yet occurred. These amounts will be recognized as revenues in the fiscal year the expenditures are incurred.

(f) 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.

(g) Inter-entity transactions

The Centre Hastings Public Library Board is a Board of the Municipality of Centre Hastings 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. 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.

(a) Credit risk

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

In the opinion of management the credit risk exposure to the organization is low and is not material.

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

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

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

3. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Municipality of Centre Hastings.

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:		
Repairs and maintenance	12,317	18,363
	12,317	18,363

In addition, the Municipality provides rental of buildings to the Board at no cost.

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

4. TANGIBLE CAPITAL ASSETS

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

	Books	Furniture and Equipment	2024 Totals	2023 Totals
	\$	\$	\$	\$
COST				
Balance, beginning of year	115,026	36,542	151,568	148,023
Add: additions during the year	17,582	4,297	21,879	18,245
Less: disposals during the year	15,176	10,535	25,711	14,700
Balance, end of year	117,432	30,304	147,736	151,568
ACCUMULATED AMORTIZATION				
Balance, beginning of year	63,808	36,542	100,350	95,630
Add: additions during the year	16,775	72	16,847	19,420
Less: disposals during the year	15,176	10,535	25,711	14,700
Balance, end of year	65,407	26,079	91,486	100,350
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	52,025	4,225	56,250	51,218

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

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

5. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024	2023
	\$	\$
Surplus		
Operations	45,327	50,274
Invested In Capital Assets		
Tangible capital assets - net book value	56,250	51,218
	101,577	101,492

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 Board's approved budget to the annual surplus/(deficit):

	2024
	\$
Board approved budgeted surplus	-
Tangible capital asset additions	17,900
Amortization of tangible capital assets	(19,420)
Annual surplus/(deficit) reported on the Statement of Operations	(1,520)

7. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation. These changes did not effect the prior year annual surplus.

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CENTRE HASTINGS 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.