

**CORPORATION OF THE MUNICIPALITY OF  
CENTRE HASTINGS**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**CORPORATION OF THE MUNICIPALITY OF  
CENTRE HASTINGS**

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**DECEMBER 31, 2023**

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**CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS**

**For The Year Ended December 31, 2023**

**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.

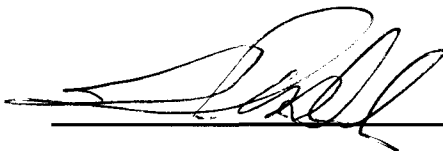
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen 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

January 15, 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, 2023, 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, 2023, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### *Basis for Opinion*

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

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

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

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

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

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

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

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

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

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

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
January 17, 2025



# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2023

	2023 \$	2022 \$ (Restated - Note 16)
<b>FINANCIAL ASSETS</b>		
Cash	6,213,925	5,423,285
Investments (note 4)	887,618	929,496
Accounts receivable	736,080	1,243,671
Taxes receivable	776,176	658,913
<b>TOTAL FINANCIAL ASSETS</b>	<b>8,613,799</b>	<b>8,255,365</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,466,888	1,220,277
Deferred revenue - obligatory reserve funds (note 6)	1,268,249	924,989
Deferred revenue - other (note 7)	175,615	425,574
Long term debt (note 8)	213,742	348,297
Landfill closure and post-closure liability (note 20)	-	353,200
Asset retirement obligation (note 18)	450,900	-
<b>TOTAL LIABILITIES</b>	<b>3,575,394</b>	<b>3,272,337</b>
<b>NET FINANCIAL ASSETS</b>	<b>5,038,405</b>	<b>4,983,028</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 11)	27,722,556	26,814,705
Prepaid expenses	21,755	150,638
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>27,744,311</b>	<b>26,965,343</b>
	<b>32,782,716</b>	<b>31,948,371</b>
<b>Comprised of:</b>		
Accumulated surplus (note 12)	32,840,798	31,948,371
Accumulated remeasurement losses	(58,082)	-
	<b>32,782,716</b>	<b>31,948,371</b>

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, 2023

	Budget 2023 \$  (Unaudited)	Actual 2023 \$	Actual 2022 \$  (Restated - Note 16)
<b>REVENUES</b>			
Property taxation	5,785,634	5,905,219	5,560,847
User charges	1,690,480	1,901,484	1,707,805
Government of Canada	395,370	192,628	162,736
Province of Ontario	2,216,002	2,007,127	1,762,212
Other municipalities	192,608	226,949	194,799
Penalties and interest on taxes	123,000	118,846	106,191
Investment income	75,550	306,182	141,014
Donations	17,000	24,769	32,273
Other	53,888	74,930	81,856
Development charges earned (note 6)	-	207,000	28,052
Parkland fees earned (note 6)	30,000	27,163	12,588
Canada Community-Building Fund earned (note 6)	100,000	-	389,409
<b>TOTAL REVENUES</b>	<b>10,679,532</b>	<b>10,992,297</b>	<b>10,179,782</b>
<b>EXPENSES</b>			
General government	1,087,502	1,245,286	1,125,334
Protection services	1,670,858	1,682,230	1,636,588
Transportation services	4,057,391	3,955,851	3,448,625
Environmental services	1,753,926	1,393,606	1,568,620
Health services	364,668	366,193	372,954
Recreation and cultural services	1,417,383	1,320,749	1,233,519
Planning and development	149,425	135,955	147,288
<b>TOTAL EXPENSES</b>	<b>10,501,153</b>	<b>10,099,870</b>	<b>9,532,928</b>
<b>ANNUAL SURPLUS</b>	<b><u>178,379</u></b>	<b>892,427</b>	<b>646,854</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>31,948,371</b>	<b>31,301,517</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>32,840,798</b>	<b>31,948,371</b>

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, 2023

	Actual 2023 \$	Actual 2022 \$ (Restated - Note 16)
<b>ACCUMULATED REMEASUREMENT GAINS AND LOSSES</b>		
- beginning of year	-	-
Adjustment on adoption of the financial instruments standard (note 20)	(81,929)	-
Unrealized gain/(loss) on portfolio investments during the year	26,597	-
Realized losses, reclassified to the statement of operations	(2,750)	-
<b>ACCUMULATED REMEASUREMENT GAINS AND LOSSES</b>		
- end of year	(58,082)	-

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$ (Restated - Note 16)
<b>ANNUAL SURPLUS</b>	178,379	892,427	646,854
Amortization of tangible capital assets	1,907,552	2,026,550	1,907,552
Purchase of tangible capital assets	(2,890,216)	(2,514,561)	(1,614,376)
(Gain) loss on disposal of tangible capital assets	-	9,327	53,387
Proceeds on sale of tangible capital assets	-	8,600	-
Change in prepaid expenses	-	128,883	(115,820)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(804,285)	551,226	877,597
<b>NET FINANCIAL ASSETS - beginning of year</b>	4,983,028	4,983,028	4,105,431
<b>ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD (note 20)</b>	-	(437,767)	-
<b>ADJUSTMENT ON ADOPTION OF THE FINANCIAL INSTRUMENTS STANDARD (note 20)</b>	-	(81,929)	-
<b>NET FINANCIAL ASSETS - beginning of year, as restated</b>	4,983,028	4,463,332	4,105,431
<b>INCREASE IN ACCUMULATED REMEASUREMENT GAINS</b>	-	23,847	-
<b>NET FINANCIAL ASSETS - end of year</b>	4,178,743	5,038,405	4,983,028

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, 2023

	2023 \$	2022 \$ (Restated - Note 16)
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	892,427	646,854
Items not involving cash		
Amortization of tangible capital assets	2,026,550	1,907,552
Loss on disposal of tangible capital assets	9,327	53,387
Accretion expense	13,133	-
Change in landfill closure and post-closure liability	(353,200)	(390,300)
Change in non-cash assets and liabilities		
Accounts receivable	507,591	(104,272)
Taxes receivable	(117,263)	(49,631)
Prepaid expenses	128,883	(115,820)
Accounts payable and accrued liabilities	246,611	5,141
Deferred revenue - obligatory reserve funds	343,260	75,634
Deferred revenue - other	(249,959)	217,547
<b>Net change in cash from operating activities</b>	<b>3,447,360</b>	<b>2,246,092</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(2,514,561)	(1,614,376)
Proceeds on disposal of tangible capital assets	8,600	-
<b>Net change in cash from capital activities</b>	<b>(2,505,961)</b>	<b>(1,614,376)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(44,778)	(137,620)
Proceeds on disposal of investments	28,574	121,896
<b>Net change in cash from investing activities</b>	<b>(16,204)</b>	<b>(15,724)</b>
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments	(134,555)	(128,536)
<b>NET CHANGE IN CASH</b>	<b>790,640</b>	<b>487,456</b>
<b>CASH - beginning of year</b>	<b>5,423,285</b>	<b>4,935,829</b>
<b>CASH - end of year</b>	<b>6,213,925</b>	<b>5,423,285</b>

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, 2023

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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. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	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, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (d) Recognition of revenues and expenses

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

#### Taxation

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

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

#### Government funding

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

#### Other revenue

User charges are recognized as revenue in the year the goods and services are provided, with the exception of building permits that are recognized when the permits are issued.

Investment income is recorded when earned.

Canada Community-Building Fund, 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 reserves when approved.

# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(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.

(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 landfill closure and post-closure care, included in asset retirement obligations, depends on estimates of the number of years until each landfill is closed, the costs of closure, the annual monitoring costs and the number of years of post-closure care

In addition, the Municipality's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets in conjunction with estimates of expected asset retirement costs, as well as the timing and duration of these retirement costs.

(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.

The liability recorded for the landfill is discounted using a present value calculation, and adjusted yearly for accretion expense and any amounts paid. The recognition of a 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 (b).

# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(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 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.

# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2023, 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	1,051,333	1,713,370

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 \$900,000 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 2023-03. At December 31, 2023 there was no balance outstanding (2022 - \$Nil).

### 4. INVESTMENTS

Investments consist of the following:

	2023 \$	2022 \$
<b>Investments held at amortized cost</b>		
BMO Nesbitt Burns - cash	29,008	9,849
BMO Nesbitt Burns - bond portfolio	-	919,647
<b>Investments held at market value</b>		
BMO Nesbitt Burns - bond portfolio	858,610	-
	<b>887,618</b>	<b>929,496</b>

### 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 2023 Annual Report disclosed total actuarial liabilities of \$136,185 million in respect of benefits accrued for service with actuarial assets of \$131,983 million indicating an actuarial deficit of \$4,202 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit.

The Municipality's required contributions to OMERS in 2023 were \$157,525 (2022 - \$141,419).

# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 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:

	2023	2022
	\$	\$
Parkland fees	106,681	68,094
Development charges	488,665	510,778
Canada Community-Building Fund	672,903	346,117
	1,268,249	924,989

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

	2023	2022
	\$	\$
Balance - beginning of year	924,989	849,355
Add amounts received:		
Development charges	155,500	171,760
Parkland fees	65,750	18,000
Canada Community-Building Fund	303,107	296,233
Interest	53,066	19,690
	577,423	505,683
Less transfer to operations:		
Development charges earned	207,000	28,052
Parkland fees earned	27,163	12,588
Canada Community-Building Fund earned	-	389,409
	234,163	430,049
Balance - end of year	1,268,249	924,989

# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

### 7. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2023	2022
	\$	\$
Ontario Cannabis Legalization Implementation Fund	20,000	20,000
Safe Restart	33,707	68,707
Accessibility grant	-	78,620
CFDC	-	30,000
Other	-	1,405
OCIF	121,908	226,842
	<b>175,615</b>	<b>425,574</b>

The continuity of deferred revenue - other is as follows:

	2023	2022
	\$	\$
Balance - beginning of year	425,574	208,027
Add amounts received:		
Other	531	1,405
OCIF	445,608	395,771
CFDC	20,000	30,000
	<b>466,139</b>	<b>427,176</b>
Less transfer to operations:		
Safe Restart	35,000	18,641
Cenotaph accessibility ramp grant	78,620	21,380
CFDC	50,000	-
Other	1,936	679
OCIF	550,542	168,929
	<b>716,098</b>	<b>209,629</b>
Balance - end of year	<b>175,615</b>	<b>425,574</b>



# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 8. LONG TERM DEBT

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

	2023	2022
	\$	\$
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.	213,742	348,297

- (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 \$14,587 (2022 - \$20,607).

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

	Principal	Interest	Total
	\$	\$	\$
2024	140,858	8,284	149,142
2025	72,884	1,688	74,572
	213,742	9,972	223,714

### 9. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$155,392 (2022 - \$157,343) 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.

### 10. BUDGET FIGURES

The budget, approved by the Municipality, for 2023 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 11. TANGIBLE CAPITAL ASSETS

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

	2023	2022 Restated (Note 16)
	\$	\$
General		
Land and land improvements	1,583,476	1,131,217
Buildings and building improvements	6,126,084	6,294,127
Machinery and equipment	1,613,561	999,428
Vehicles	1,116,737	784,474
Infrastructure		
Roads and bridges	12,078,620	12,743,809
Water and sewer	4,797,759	4,820,792
	27,316,237	26,773,847
Assets under construction	406,319	40,858
	27,722,556	26,814,705

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

During the year there were no write-downs of assets (2022 - \$Nil) and no interest capitalized (2022 - \$Nil).

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

	2023	2022 Restated (Note 16)
	\$	\$
General government	571,288	592,584
Protection services	1,020,365	571,479
Transportation services	13,298,284	13,430,556
Environmental services	6,759,133	6,018,821
Health services	2,926,172	3,006,567
Recreation and cultural services	2,975,030	3,022,414
Planning and development	172,284	172,284
	27,722,556	26,814,705

# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 12. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2023	2022 Restated (Note 16)
	\$	\$
<b>Surplus/(Deficit)</b>		
Unfunded landfill closure and post-closure costs	-	(353,200)
Landfill cover material	(234,790)	(254,790)
Centre Hastings Public Library Board	50,274	61,162
	(184,516)	(546,828)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	27,722,556	26,814,705
Long term debt	(213,742)	(348,297)
Unfunded capital - see part (b) below	(1,759,238)	(1,871,810)
Unfunded asset retirement obligation	(450,900)	-
	25,298,676	24,594,598
<b>Surplus</b>	25,114,160	24,047,770
<b>Reserves</b>		
Working fund	1,899,134	1,654,257
General capital	763,135	724,955
Emergency measures	66,881	45,218
Fire capital	256,930	468,428
Roads capital	912,918	851,499
OMERS - past service	4,512	4,512
Recreation	93,506	65,663
Landfill	34,800	362,239
Arena	205,504	210,565
Whytock recreation	297,738	316,904
Septage	1,145,000	1,145,000
Waste disposal equipment	90,007	45,319
Nesbitt Burns	945,699	929,496
Hydro sale	49,251	49,251
Tax write-off	171,400	171,400
Cemeteries	57,014	49,465
Water and sewer	599,548	725,884
Tri Area Medical Centre	82,781	49,666
Election	10,534	5,534
Economic development	40,346	25,346
<b>Total Reserves</b>	7,726,638	7,900,601
	32,840,798	31,948,371

# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 12. ACCUMULATED SURPLUS, continued

(b) Unfunded capital consists of the following:

	2023	2022
	\$	\$
Whytock Park bridge	(94,814)	(119,814)
Tri Area Medical Centre	(199,812)	(274,527)
Weed harvesting	(29,001)	(39,000)
Fire department truck chassis	(10,988)	(30,988)
Landfill compactor	(102,832)	-
Splash pad	(62,100)	(87,100)
Arts centre building	(54,200)	(79,200)
Roads	(35,833)	(65,833)
Marmora Street well	(1,169,658)	(1,175,348)
	<b>(1,759,238)</b>	<b>(1,871,810)</b>

### 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 2023 \$	Actual 2023 \$	Actual 2022 \$
	(Unaudited)		Restated (Note 16)
Salaries and benefits	3,242,181	3,115,767	2,989,232
Interest charges	14,590	14,587	20,607
Materials	3,776,770	3,712,144	3,385,057
Contracted services	1,474,200	1,121,926	1,100,086
Rents and financial	7,900	19,196	7,388
External transfers	77,960	80,373	69,620
Amortization	1,907,552	2,026,550	1,907,552
Loss (gain) on disposal of tangible capital assets	-	9,327	53,387
	<b>10,501,153</b>	<b>10,099,870</b>	<b>9,532,929</b>

### 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, 2023

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### 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, 2023

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### 16. PRIOR PERIOD ADJUSTMENT

The Municipality has restated its 2022 consolidated financial statements to recognize tangible capital assets that were previously omitted in error. Adjustments necessary to the 2022 financial information as a result of the prior period adjustment are as follows:

#### Adjustment to Closing 2022 Tangible Capital Assets

Cost, as previously recorded	\$ 69,287,648
Accumulated amortization, as previously recorded	(42,604,943)
Capital asset additions, not previously recorded	550,000
Accumulated amortization not previously recorded	<u>(418,000)</u>
Closing 2022 net book value of tangible capital assets as restated	<u>\$ 26,814,705</u>

#### Adjustment to Opening 2022 Accumulated Surplus

Accumulated surplus as previously stated	
Invested in capital assets	\$ 24,435,219
Surplus/(deficit)	(693,448)
Reserves	<u>7,416,746</u>
	31,158,517
Assets not previously capitalized	550,000
Amortization expense not previously recorded	<u>(407,000)</u>
Opening 2022 accumulated surplus as restated	<u>\$ 31,301,517</u>

#### Adjustment to 2022 Annual Surplus

2022 annual surplus as previously stated	\$ 657,854
Less: Amortization expense not previously recorded	<u>(11,000)</u>
2022 annual surplus as restated	<u>\$ 646,854</u>

# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 17. 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 mortgages and investments. This exposure is low as the mortgages have a fixed interest rate. 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 fair value, liquidity or currency risk.

### 18. 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 closure costs of 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 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 \$
<b>Asset Retirement Obligation</b>	
Opening balance - January 1, 2023	-
Adjustment on adoption of the asset retirement obligation standard	437,767
Opening balance, as restated	437,767
Accretion expense	13,133
Closing balance	450,900

### 19. COMPARATIVE FIGURES

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

# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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### 20. CHANGES IN ACCOUNTING POLICIES

The Municipality has implemented the following sections which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations were adopted prospectively on January 1, 2023.

PS 1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the Municipality's consolidated financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The adoption of this standard did not have an impact on the Municipality's consolidated financial statements.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Municipality's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments.

In accordance with the provisions of this new standard, the Municipality reflected the following adjustments at January 1, 2023:

- A loss of \$81,929 to accumulated remeasurement gains/(losses) due to the unrealized loss of the Municipality's investments previously recorded at cost.

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 new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability.

In accordance with the provisions of this new standard, the Municipality reflected the following adjustments at January 1, 2023:

#### Landfill Obligation

- A decrease of \$353,200 to landfill closure and post-closure liability to remove the liability recognized to December 31, 2022 under the old standard and a corresponding increase of \$437,767 to opening asset retirement obligation liability.



# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2023

	General				Infrastructure		Assets Under Construction	Totals
	Land and Land Improvements	Buildings and Building Improvements	Machinery and Equipment	Vehicles	Roads and Bridges	Water and Sewer		
	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>								
Balance, beginning of year - restated (note 16)	1,863,234	9,325,741	2,438,178	2,577,322	46,514,791	7,077,524	40,858	69,837,648
Add: additions during the year	87,786	52,748	839,594	503,706	569,256	96,010	365,461	2,514,561
Less: disposals during the year	-	-	83,120	-	533,297	-	-	616,417
Asset retirement obligation	437,767	-	-	-	-	-	-	437,767
<b>Balance, end of year</b>	<b>2,388,787</b>	<b>9,378,489</b>	<b>3,194,652</b>	<b>3,081,028</b>	<b>46,550,750</b>	<b>7,173,534</b>	<b>406,319</b>	<b>72,173,559</b>
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year - restated (note 16)	732,017	3,031,614	1,438,750	1,792,848	33,770,982	2,256,732	-	43,022,943
Add: additions during the year	73,294	220,791	216,561	171,443	1,225,418	119,043	-	2,026,550
Less: disposals during the year	-	-	74,220	-	524,270	-	-	598,490
<b>Balance, end of year</b>	<b>805,311</b>	<b>3,252,405</b>	<b>1,581,091</b>	<b>1,964,291</b>	<b>34,472,130</b>	<b>2,375,775</b>	<b>-</b>	<b>44,451,003</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>1,583,476</b>	<b>6,126,084</b>	<b>1,613,561</b>	<b>1,116,737</b>	<b>12,078,620</b>	<b>4,797,759</b>	<b>406,319</b>	<b>27,722,556</b>

# 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 \$
<b>Revenues</b>									
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	179,451	63,721	916,913	236,846	207,461	243,081	29,829	1,901,484
Government transfers - operating	-	1,303,945	134,448	-	-	-	69,182	-	1,507,575
Government transfers - capital	11,858	-	674,725	-	-	-	5,597	-	692,180
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	2,575	-	-	350	58,306	1,195	74,930
Development charges earned	-	207,000	-	-	-	-	-	-	207,000
Parkland fees earned	-	-	-	-	-	-	27,163	-	27,163
<b>Total revenues</b>	<b>1,324,958</b>	<b>1,943,842</b>	<b>4,166,299</b>	<b>1,014,223</b>	<b>714,231</b>	<b>326,947</b>	<b>1,343,148</b>	<b>158,649</b>	<b>10,992,297</b>
<b>Expenses</b>									
Salaries and benefits	720,907	437,598	753,956	294,753	233,283	36,408	548,500	90,362	3,115,767
Interest charges	-	-	-	-	-	14,587	-	-	14,587
Materials	383,269	283,049	1,822,530	244,956	157,202	230,652	544,893	45,593	3,712,144
Contracted services	2,938	779,983	84,663	269,282	(41,103)	-	26,163	-	1,121,926
Rents and financial	5,422	-	641	-	13,133	-	-	-	19,196
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
<b>Total expenses</b>	<b>1,245,286</b>	<b>1,682,230</b>	<b>3,955,851</b>	<b>975,164</b>	<b>418,442</b>	<b>366,193</b>	<b>1,320,749</b>	<b>135,955</b>	<b>10,099,870</b>
<b>Net surplus/(deficit)</b>	<b>79,672</b>	<b>261,612</b>	<b>210,448</b>	<b>39,059</b>	<b>295,789</b>	<b>(39,246)</b>	<b>22,399</b>	<b>22,694</b>	<b>892,427</b>

# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2022 - Restated (Note 16)

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>									
Property taxation	1,152,863	23,505	2,820,717	76,310	508,150	73,477	738,755	167,070	5,560,847
User charges	78,753	188,825	43,459	878,300	81,342	177,064	228,301	31,761	1,707,805
Government transfers - operating	-	1,358,543	150,921	2,100	-	-	28,095	23,449	1,563,108
Government transfers - capital	56,830	-	275,120	-	-	-	29,890	-	361,840
Other municipalities	-	35,352	-	-	39,336	32,162	87,949	-	194,799
Penalties and interest on taxes	106,191	-	-	-	-	-	-	-	106,191
Investment income	137,227	-	-	-	-	3,787	-	-	141,014
Donations	26,917	-	-	-	-	600	4,756	-	32,273
Other	33,413	-	45,095	-	-	1,873	1,163	312	81,856
Development charges earned	-	-	28,052	-	-	-	-	-	28,052
Parkland fees earned	-	-	-	-	-	-	12,588	-	12,588
Canada Community-Building Fund earned	-	-	285,817	103,592	-	-	-	-	389,409
<b>Total revenues</b>	<b>1,592,194</b>	<b>1,606,225</b>	<b>3,649,181</b>	<b>1,060,302</b>	<b>628,828</b>	<b>288,963</b>	<b>1,131,497</b>	<b>222,592</b>	<b>10,179,782</b>
<b>Expenses</b>									
Salaries and benefits	645,610	407,084	704,906	258,510	248,268	37,955	594,168	92,731	2,989,232
Interest charges	-	-	-	-	-	20,607	-	-	20,607
Materials	376,585	260,156	1,290,248	347,885	389,271	232,449	434,160	54,303	3,385,057
Contracted services	6,279	798,009	130,555	264,950	(116,130)	-	16,169	254	1,100,086
Rents and financial	7,388	-	-	-	-	-	-	-	7,388
External transfers	3,788	63,772	-	-	-	2,060	-	-	69,620
Amortization	32,297	107,568	1,322,916	153,591	22,275	79,883	189,022	-	1,907,552
Loss (gain) on disposal of tangible capital assets	53,387	-	-	-	-	-	-	-	53,387
<b>Total expenses</b>	<b>1,125,334</b>	<b>1,636,589</b>	<b>3,448,625</b>	<b>1,024,936</b>	<b>543,684</b>	<b>372,954</b>	<b>1,233,519</b>	<b>147,288</b>	<b>9,532,929</b>
<b>Net surplus/(deficit)</b>	<b>466,860</b>	<b>(30,364)</b>	<b>200,556</b>	<b>35,366</b>	<b>85,144</b>	<b>(83,991)</b>	<b>(102,022)</b>	<b>75,304</b>	<b>646,853</b>

## **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, 2023, 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, 2023, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### *Basis for Opinion*

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

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

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

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

Those charged with governance are responsible for overseeing the Trust Funds' financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

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

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
January 17, 2025

# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2023

	Perpetual Care \$	Monument \$	2023 Total \$	2022 Total \$
<b>FINANCIAL ASSETS</b>				
Cash	2,345	2	2,347	7
Investments (note 2)	154,149	7,179	161,328	165,625
	156,494	7,181	163,675	165,632
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to Municipality	7,339	944	8,283	8,289
<b>FUND BALANCE</b>	149,155	6,237	155,392	157,343
	156,494	7,181	163,675	165,632

## TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2023

	Perpetual Care \$	Monument \$	2023 Total \$	2022 Total \$
<b>BALANCES - beginning of year</b>	150,653	6,690	157,343	157,343
<b>RECEIPTS</b>				
Investment income	4,384	271	4,655	4,301
Transfer from Municipality	1,160	-	1,160	-
	5,544	271	5,815	4,301
<b>EXPENSES</b>				
Transfer to Municipality	4,026	224	4,250	3,793
Administration fees	445	62	507	508
Unrealized loss	2,571	438	3,009	-
	7,042	724	7,766	4,301
<b>BALANCES - end of year</b>	149,155	6,237	155,392	157,343

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, 2023

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### 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:

	2023 Market value \$	2022 Cost \$
Perpetual care fund	154,149	157,992
Monument fund	7,179	7,633
	161,328	165,625

### 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, 2023**



**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****T: (705) 742-3418  
F: (705) 742-9775****[www.bakertilly.ca](http://www.bakertilly.ca)***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, 2023, 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, 2023, 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, 2023 and 2022, and assets and accumulated surplus as at December 31, 2023 and 2022. Our opinion on the financial statements for the year ended December 31, 2022 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.

### *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  
January 17, 2025

# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## CENTRE HASTINGS PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2023

	2023	2022
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	51,274	58,434
Accounts receivable	2,030	5,204
<b>TOTAL FINANCIAL ASSETS</b>	53,304	63,638
<b>LIABILITIES</b>		
Accounts payable	3,030	2,476
<b>NET FINANCIAL ASSETS</b>	50,274	61,162
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 4)	51,218	52,393
<b>ACCUMULATED SURPLUS (note 5)</b>	101,492	113,555

*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, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
<b>REVENUES</b>			
Municipality of Centre Hastings contribution			
Levy	100,190	100,190	96,807
Allocated repairs and maintenance (note 3)	-	18,363	11,541
Township of Madoc contribution	42,939	42,939	41,489
Government of Canada	-	-	1,575
Province of Ontario	11,462	11,462	15,151
Other grants	6,885	2,281	3,240
User fees	650	2,863	1,631
Donations and fundraising	1,000	1,703	1,597
Large print pool fees	12,200	12,450	12,850
<b>TOTAL REVENUES</b>	<b>175,326</b>	<b>192,251</b>	<b>185,881</b>
<b>EXPENSES</b>			
Salaries and benefits	124,581	124,216	120,853
Supplies and services	24,140	39,622	22,802
Periodicals and collection repair	6,485	1,303	1,083
Repairs and maintenance	3,470	1,390	1,212
Amortization	18,914	19,420	18,914
Allocated repairs and maintenance (note 3)	-	18,363	11,541
<b>TOTAL EXPENSES</b>	<b>177,590</b>	<b>204,314</b>	<b>176,405</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>(2,264)</u></b>	<b>(12,063)</b>	<b>9,476</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>113,555</b>	<b>104,079</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>101,492</b>	<b>113,555</b>

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, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(2,264)	(12,063)	9,476
Amortization of tangible capital assets	18,914	19,420	18,914
Acquisition of tangible capital assets	(16,650)	(18,245)	(17,280)
Change in prepaid expenses	-	-	746
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	-	(10,888)	11,856
<b>NET FINANCIAL ASSETS - beginning of year</b>	61,162	61,162	49,306
<b>NET FINANCIAL ASSETS - end of year</b>	61,162	50,274	61,162

*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, 2023

	2023	2022
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus/(deficit)	(12,063)	9,476
Items not involving cash		
Amortization of tangible capital assets	19,420	18,914
Change in non-cash assets and liabilities		
Accounts receivable	3,174	(3,182)
Due from Municipality	-	135
Prepaid expenses	-	746
Accounts payable	554	(850)
<b>Net change in cash from operating activities</b>	<b>11,085</b>	<b>25,239</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(18,245)	(17,280)
<b>NET CHANGE IN CASH</b>	<b>(7,160)</b>	<b>7,959</b>
<b>CASH - beginning of year</b>	<b>58,434</b>	<b>50,475</b>
<b>CASH - end of year</b>	<b>51,274</b>	<b>58,434</b>

*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, 2023

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### 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:

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values.

# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

**CENTRE HASTINGS PUBLIC LIBRARY BOARD  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended December 31, 2023**

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**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
Accounts receivable	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, 2023

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### 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. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Books	7 years
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 Board is not exposed to any significant market rate, interest rate, liquidity or currency risk.

# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## CENTRE HASTINGS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

### 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:

	2023	2022
	\$	\$
Allocated costs:		
Repairs and maintenance	18,363	11,541
	<u>18,363</u>	<u>11,541</u>

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 \$	2023 Totals \$	2022 Totals \$
<b>COST</b>				
Balance, beginning of year	111,481	36,542	148,023	152,489
Add: additions during the year	18,245	-	18,245	17,280
Less: disposals during the year	14,700	-	14,700	21,746
Balance, end of year	<u>115,026</u>	<u>36,542</u>	<u>151,568</u>	<u>148,023</u>
<b>ACCUMULATED AMORTIZATION</b>				
Balance, beginning of year	62,076	33,554	95,630	98,462
Add: additions during the year	16,432	2,988	19,420	18,914
Less: disposals during the year	14,700	-	14,700	21,746
Balance, end of year	<u>63,808</u>	<u>36,542</u>	<u>100,350</u>	<u>95,630</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>51,218</u>	<u>-</u>	<u>51,218</u>	<u>52,393</u>

# CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

## CENTRE HASTINGS PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 5. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023	2022
	\$	\$
<b>Surplus</b>		
Operations	50,274	61,162
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	51,218	52,393
	<u>101,492</u>	<u>113,555</u>

### 6. BUDGET FIGURES

The operating budget, approved by the Board, for 2023 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

### 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, 2023

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### 8. CHANGES IN ACCOUNTING POLICIES

The Board has implemented the following sections which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations were adopted prospectively on January 1, 2023.

PS 1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Board's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments. 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.