

**Corporation of the Municipality of Brighton**

**Consolidated Financial Statements**

**For the year ended December 31, 2020**

**Corporation of the Municipality of Brighton  
Financial Statements**

**For the year ended December 31, 2020**

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## Independent Auditor's Report

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**To the Members of Council of the  
Corporation of the Municipality of Brighton**

### **Opinion**

We have audited the consolidated financial statements of Corporation of the Municipality of Brighton (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of operations, the consolidated statement of change in net financial assets (debt), and the consolidated statement of 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, 2020, and its consolidated results of operations, its consolidated change in net assets (debt), 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 these 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 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 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.

*BDO Canada LLP*

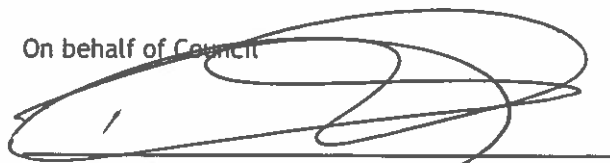
Chartered Professional Accountants, Licensed Public Accountants

Lindsay, Ontario  
September 7, 2021

**Corporation of the Municipality of Brighton  
Consolidated Statement of Financial Position**

<u>December 31</u>	<u>2020</u>	<u>2019</u>
<b>Financial assets</b>		
Cash (Note 4)	\$ 13,828,571	\$ 11,263,648
Taxes receivable	1,823,675	1,531,014
Accounts receivable (Note 5)	2,111,397	1,210,585
Inventory for resale	12,249	17,250
Asset held for sale (Note 6)	418,148	394,885
	<u>18,194,040</u>	<u>14,417,382</u>
<b>Liabilities</b>		
Accounts payable and accrued expenses (Note 7)	5,392,644	3,491,799
Deferred revenue - obligatory reserve funds (Note 8)	4,459,548	4,080,240
Deferred revenue - other (Note 8)	972,690	597,053
Municipal debt (Note 9)	8,186,732	8,769,358
	<u>19,011,614</u>	<u>16,938,450</u>
<b>Net debt (Page 7)</b>	<u>(817,574)</u>	<u>(2,521,068)</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 14)	75,784,334	75,975,277
Inventories of supplies	95,996	78,795
Prepaid expenses	200	1,463
	<u>75,880,530</u>	<u>76,055,535</u>
<b>Accumulated surplus (Note 10)</b>	<u>\$ 75,062,956</u>	<u>\$ 73,534,467</u>
<b>Contingent Liabilities and Commitments (Note 11)</b>		
<b>Impact of COVID-19 (Note 12)</b>		

On behalf of Council



Mayor/Councillor



Mayor/Councillor

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

## Corporation of the Municipality of Brighton Consolidated Statement of Operations

For the year ended December 31	Budget 2020	Actual 2020	Actual 2019
	(Note 13)		
<b>Revenues</b>			
Taxation levied for own purposes (Note 2)	\$ 10,279,448	\$ 10,211,199	\$ 9,537,553
User charges, licences and fines	4,678,913	4,881,545	4,216,012
<b>Grants</b>			
Government of Canada	214,367	136,979	6,300
Province of Ontario	4,896,867	1,643,756	1,955,033
<b>Other</b>			
Developer contributions earned	2,019,873	609,772	1,400,453
Investment income	35,500	77,886	116,204
Penalties and interest on taxes	230,000	254,101	267,715
Donations	4,000	13,669	5,537
Contributed tangible capital assets	-	-	1,277,298
Gain (loss) on sale of assets held for sale	-	-	(70,823)
Gain (loss) on disposition of assets	70,000	(58,483)	67,462
	<u>22,428,968</u>	<u>17,770,424</u>	<u>18,778,744</u>
<b>Expenses</b>			
General government	1,488,200	1,930,051	1,510,485
Protection to persons and property	3,131,257	3,065,843	2,983,220
Transportation services	4,188,376	5,476,889	5,188,967
Environmental services	2,119,373	2,332,647	2,382,820
Health services	314,428	412,809	307,838
Recreational and cultural services	1,604,237	1,842,254	1,783,278
Planning and development	1,182,106	1,181,442	1,376,814
	<u>14,027,977</u>	<u>16,241,935</u>	<u>15,533,422</u>
<b>Annual surplus</b>	<u>8,400,991</u>	<u>1,528,489</u>	<u>3,245,322</u>
<b>Accumulated surplus, beginning of year</b>	<u>73,534,467</u>	<u>73,534,467</u>	<u>70,289,145</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 81,935,458</u>	<u>\$ 75,062,956</u>	<u>\$ 73,534,467</u>

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

**Corporation of the Municipality of Brighton  
Consolidated Statement of Change in Net Financial Assets (Debt)**

For the year ended December 31	Budget 2020	Actual 2020	Actual 2019
	(Note 13)		
<b>Annual surplus</b>	\$ 8,400,991	\$ 1,528,489	\$ 3,245,322
Acquisition of tangible capital assets	-	(3,403,889)	(6,917,304)
Amortization of tangible capital assets	-	3,535,875	3,444,902
Gain/loss on disposition of assets	-	58,483	(67,462)
Proceeds on disposal of tangible capital assets	175,000	474	78,556
	<u>8,575,991</u>	<u>1,719,432</u>	<u>(215,986)</u>
Acquisition inventory of supplies	-	(95,996)	(78,795)
Use/consumption of inventory of supplies	-	78,795	69,598
Acquisition of prepaid expenses	-	(200)	(1,463)
Use/consumption of prepaid expenses	-	1,463	-
	<u>-</u>	<u>(15,938)</u>	<u>(10,660)</u>
<b>Net change in net financial assets (debt)</b>	<b>8,575,991</b>	<b>1,703,494</b>	<b>(226,646)</b>
<b>Net debt, beginning of year</b>	<b>(2,521,068)</b>	<b>(2,521,068)</b>	<b>(2,294,422)</b>
<b>Net debt, end of year</b>	<b>\$ 6,054,923</b>	<b>\$ (817,574)</b>	<b>\$ (2,521,068)</b>

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

## Corporation of the Municipality of Brighton Consolidated Statement of Cash Flows

For the year ended December 31	Actual 2020	Actual 2019
<b>Cash flows from operating activities</b>		
Annual surplus (Page 6)	\$ 1,528,489	\$ 3,245,322
Items not involving cash		
Amortization	3,535,875	3,444,902
Gain/loss on sale of assets held for sale	-	70,823
Gain/loss on disposition of assets	58,483	(67,462)
Contributed tangible capital assets	-	(1,277,298)
	5,122,847	5,416,287
<b>Uses</b>		
Increase in taxes receivable	(292,661)	-
Increase in accounts receivable	(900,812)	(12,028)
Increase in inventories of supplies	(17,201)	(9,197)
Increase in prepaid expenses	-	(1,463)
<b>Sources</b>		
Decrease in taxes receivable	-	193,591
Decrease in inventory for resale	5,001	1,502
Increase in accounts payable and accrued expenses	1,900,845	660,706
Increase in deferred revenue - obligatory reserve funds	379,308	86,668
Increase in deferred revenue - other	375,637	207,437
Decrease in prepaid expenses	1,263	-
	6,574,227	6,543,503
<b>Cash flows from capital transactions</b>		
Acquisition of tangible capital assets	(3,403,889)	(5,640,006)
Acquisition of assets held for sale	(23,263)	(223,902)
Proceeds on disposal of tangible capital assets	474	78,556
Proceeds on disposal of assets held for sale	-	70,000
	(3,426,678)	(5,715,352)
<b>Cash flows from financing activities</b>		
Municipal debt incurred	-	3,492,227
Debt principal repayments	(582,626)	(423,206)
	(582,626)	3,069,021
<b>Net change in cash</b>	2,564,923	3,897,172
<b>Cash, beginning of year</b>	11,263,648	7,366,476
<b>Cash, end of year</b>	\$ 13,828,571	\$ 11,263,648

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

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## Corporation of the Municipality of Brighton Summary of Significant Accounting Policies

December 31, 2020

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<b>Nature of the Entity</b>	The Corporation of the Municipality of Brighton is a lower tier municipality in the Province of Ontario. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.
<b>Management Responsibility</b>	The financial statements of the Municipality are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards.
<b>Basis of Accounting</b>	The financial statements have been prepared using Canadian public sector accounting standards.
<b>Basis of Consolidation</b>	<p>These consolidated financial statements reflect the assets, liabilities, revenues and expenses of all committees of Council and the following local boards which are under the control of Council:</p> <p style="text-align: center;">Brighton Public Library Board Brighton Downtown Business Improvement Area Board</p> <p>All interfund and inter-entity assets, liabilities, revenues and expenses have been eliminated.</p> <p>Trust funds and their related operations administered by the Municipality are not consolidated, but are disclosed separately in Note 1.</p> <p>The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the county and school boards are not reflected in the balances of these consolidated financial statements, but are disclosed separately in Note 2.</p>
<b>Use of Estimates and Measurement Uncertainty</b>	Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates, assumptions and approximations. Included in the consolidated financial statements are estimates related to tangible capital assets both in determining fair market value of contributed assets and in the amortization policies as set out in these policies. Also, the amount recorded as allowance for doubtful accounts receivable is based on management's best estimate of future payments on receivable accounts.
<b>Inventory</b>	Inventory of lots and niches of Mount Hope Cemetery are reflected at the lower of cost or net realizable value and this cost is allocated to cost of sales on a unit-by-unit basis in a manner expected to reduce the carrying value to nil when all of the units have been sold.

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## Corporation of the Municipality of Brighton Summary of Significant Accounting Policies

December 31, 2020

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**Deferred Revenue** Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the purpose specified.

**Tangible Capital Assets** Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly related to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for production or use as follows:

Land improvements	10-50 years
Buildings	15-50 years
Machinery and equipment	5-30 years
Vehicles	10 years
Roads and bridges	10-75 years
Water and sewer systems	15-50 years

**Non-financial assets** Non-financial assets are used to provide the Municipality's services in future periods. These assets do not normally provide resources to discharge the liabilities of the Municipality unless they are sold. The Municipality's non-financial assets include tangible capital assets, inventories for resale and prepaid expenses.

**Revenue Recognition** Revenue is reported on the accrual basis of accounting. Revenues are recognized as follows:

- a) Taxation revenue is recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.
- b) User charges, licenses, fines, and donations are recognized when receivable.
- c) Subdivider contributions and fees for services are recognized over the period of service or when required expenditures occur if applicable.
- e) Investment income is reported as revenue in the fiscal year earned. Investment income earned on development charges, federal gas tax reserve funds, and parkland obligatory reserve funds is added to the reserve fund balance and forms part of the respective deferred revenue balance.

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## Corporation of the Municipality of Brighton Summary of Significant Accounting Policies

December 31, 2020

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**Government Transfers** Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

**Pension Agreement** The Municipality is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Municipality has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles.

## Corporation of the Municipality of Brighton Notes to Consolidated Financial Statements

December 31, 2020

### 1. Trust Funds

	2020	2019
Mount Hope Cemetery	\$ 245,144	\$ 241,719

### 2. Taxation Raised on Behalf of Others

The following amounts raised on behalf of others are not included in these financial statements.

	2020	2019
School Boards	\$ 3,186,607	\$ 3,234,423
County of Northumberland	7,566,774	7,298,777
	\$ 10,753,381	\$ 10,533,200

### 3. Restricted Assets

	2020	2019
Cash (Note 4)	\$ 2,979,745	\$ 2,862,436
Due from (to) own municipality	1,479,803	1,217,804
	\$ 4,459,548	\$ 4,080,240
<b>Consists of:</b>		
Obligatory funds in deferred revenue (Note 8)	\$ 4,459,548	\$ 4,080,240

### 4. Cash

	2020	2019
<b>Unrestricted</b>		
Unrestricted cash	\$ 6,052,367	\$ 5,257,154
<b>Designated</b>		
Designated cash	4,713,304	3,092,801
Designated GIC	83,155	51,257
<b>Restricted</b>		
Restricted cash (Note 3)	2,979,745	2,862,436
	\$ 13,828,571	\$ 11,263,648

Most of the cash is on deposit at one financial institution (RBC). Designated cash relates to reserve funds of \$5,707,991.

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## Corporation of the Municipality of Brighton Notes to Consolidated Financial Statements

December 31, 2020

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### 5. Accounts Receivable

	2020	2019
<b>Unrestricted</b>		
Canada	\$ 647,755	\$ 304,694
Ontario	96,517	27,411
Other municipalities and school boards	50,212	103,623
Water and sewer customer accounts	760,478	700,096
Other	605,838	124,164
Allowance for doubtful accounts	(49,403)	(49,403)
	<b>\$ 2,111,397</b>	<b>\$ 1,210,585</b>

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### 6. Assets Held for Sale

The Municipality made the decision to put industrial lots up for sale, to generate economic development within the Municipality. At year end, the asset is held for sale and presented as a financial asset on the Statement of Financial Position.

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### 7. Employee Future Amounts Payable

The Municipality provides certain employee amounts which will require funding in future periods.

#### a. Vacation Payable

Vacation pay owing at December 31, 2020 of \$30,655 (2019 - \$14,178) has been fully funded from operations and included in accounts payable in these financial statements.

#### b. Pension Agreement

OMERS provides pension services to over half a million active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2020. The results of this valuation disclosed total actuarial liabilities of \$113,055 million (2019: \$107,687 million) in respect of benefits accrued for service with actuarial assets at that date of \$109,844 million (2019: \$104,290 million) indicating an actuarial deficit of \$3,211 million (2019: 3,397 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. Contributions made by the Municipality to OMERS for 2020 were \$304,971 (2019 - \$254,614).

## Corporation of the Municipality of Brighton Notes to Consolidated Financial Statements

December 31, 2020

### 8. Deferred Revenue

	2020	2019
<b>Obligatory Reserve Funds</b>		
Development Charges Act	\$ 2,919,373	\$ 2,812,117
Parkland (Planning Act)	60,372	50,819
Gas tax	1,204,402	957,933
Building Department	275,401	259,371
	4,459,548	4,080,240
<b>Other deferred revenue</b>	972,690	597,053
	\$ 5,432,238	\$ 4,677,293

The net change during the year in the restricted deferred revenue balances is made up as follows:

	Development Charges	Parkland	Gas Tax	Building Department	Total
Opening					
obligatory funds	\$ 2,812,117	\$ 50,819	\$ 957,933	\$ 259,371	\$ 4,080,240
Restricted					
funds received	679,327	14,500	372,957	16,030	1,082,814
Interest earned	32,660	94	6,712	-	39,466
Revenue					
recognized	(604,731)	(5,041)	(133,200)	-	(742,972)
Closing					
obligatory funds	\$ 2,919,373	\$ 60,372	\$ 1,204,402	\$ 275,401	\$ 4,459,548

Gas tax revenue is provided by the Government of Canada. The use of the funds is established by the funding agreement signed between the Municipality and the Association of Municipalities of Ontario. Gas tax funds may be used towards designated projects as specified in the funding agreements.

## Corporation of the Municipality of Brighton Notes to Consolidated Financial Statements

December 31, 2020

### 9. Municipal Debt

	2020	2019
Long term bank loan maturing August, 2030 repayable in blended monthly instalments of \$7,247, with interest at 2.72%	\$ 738,651	\$ 799,420
Long term bank loan maturing August, 2030 repayable in blended monthly instalments of \$12,540, with interest at 2.72%	1,278,126	1,386,227
Long term bank loan maturing December 20, 2022 repayable in blended monthly instalments of \$652, with interest at 2.93%	14,575	21,905
Long term bank loan maturing April, 2027 repayable in blended semi-annual instalments of \$28,087, with interest at 2.69%	332,948	379,230
Long term bank loan maturing April, 2032 repayable in blended semi-annual instalments of \$114,596, with interest at 3.13%	2,199,224	2,355,893
Long term bank loan maturing August, 2034 repayable in blended semi-annually instalments of \$50,127, with interest at 2.65%	1,166,250	1,234,227
Long term bank loan maturing December, 2039 repayable in blended semi-annually instalments of \$74,176, with interest at 2.81%	2,172,502	2,258,000
Interest-free long term loan maturing March 2026, repayable annually at \$50,000 per year	284,456	334,456
<b>Net municipal debt</b>	<b>\$ 8,186,732</b>	<b>\$ 8,769,358</b>

a. Future payments requiring taxation and user charge financing are summarized as follows:

	Total principal	Total Interest	Total payments
2021	\$ 608,709	220,532	\$ 829,241
2022	624,127	204,462	828,589
2023	633,343	188,074	821,417
2024	650,108	171,309	821,417
2025	667,356	154,061	821,417
Thereafter	5,003,088	700,602	5,703,690
<b>Total</b>	<b>\$ 8,186,731</b>	<b>1,639,040</b>	<b>\$ 9,825,771</b>

## Corporation of the Municipality of Brighton Notes to Consolidated Financial Statements

December 31, 2020

### 9. Municipal Debt (Cont'd)

- b. The long-term liabilities issued in the Municipality's name have been approved by by-law as required and the annual principal and interest payments required are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- c. The Municipality has access to two unused non-revolving term credit facilities with available limits of \$2,000,000 and \$600,000 respectively. The Municipality may select repayment terms for these loans which can either be over a 10 year or 5 year period and repayable in either monthly blended principal and interest payments or monthly principal payments. Interest is fixed at a rate to be quoted by the bank at the time of borrowing.
- d. Total gross payments for the year to service net municipal debt are as follows:

	2020	2019
Principal payments	\$ 582,626	\$ 369,295
Interest	254,109	192,182
	<b>\$ 836,735</b>	<b>\$ 561,477</b>

### 10. Accumulated Surplus

	2020	2019
Municipal surplus	\$ 634,841	\$ 309,942
Public Library Board surplus	97,554	85,649
Business Improvement Area Board surplus	15,555	12,982
	<b>747,950</b>	<b>408,573</b>
Unfunded capital	(2,484,330)	(2,580,156)
Invested in tangible capital assets (Note 14)	75,784,334	75,975,277
Municipal debt to be recovered in future (Note 9)	(8,186,732)	(8,769,358)
Reserve/reserve fund balances	9,201,734	8,500,131
	<b>\$ 75,062,956</b>	<b>\$ 73,534,467</b>

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# Corporation of the Municipality of Brighton

## Notes to Consolidated Financial Statements

December 31, 2020

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### 11. Contingent Liabilities and Commitments

#### a. Credit Facility Agreement

The Municipality also has access to a \$4,000,000 revolving demand facility to finance general operating requirements. From January 1 to September 30, the aggregate borrowings under this facility must not exceed the lesser of 50% of budgeted revenues or the borrowing limit. From October 1 - December 31 the aggregate borrowings must not exceed the lesser of 25% of budgeted revenues for the year or the borrowing limit. Repayment for this facility is due on demand, bearing interest at RBC's prime rate minus 0.5%. Council authorized the temporary borrowing limit for 2020 in by-law 001-2020, and there was no balance outstanding at either December 31, 2020 or 2019.

#### b. Spending Commitments

The Municipality has entered into a commitment with Brighton YMCA to contribute \$30,000 per year for five years commencing in 2018.

The Municipality has committed to spending an estimated amount of \$1,150,000 (plus HST) on surface treatment in 2021 - \$630,000 and 2022 - \$520,000.

#### c. Other Contingencies

In the normal course of its operations, the Municipality is subject to various litigations and claims. The ultimate outcome of these claims cannot be determined at this time. However, the Municipality's management believes that the ultimate disposition of these matters will not have a material adverse effect on its financial position.

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### 12. Impact of Covid-19

On January 30, 2020, the World Health Organization announced a global health emergency because of a new strain of coronavirus, the "COVID-19 outbreak". In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

As the COVID-19 pandemic continues, there could be further effects on the Municipality, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Municipality's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Municipality is not known.

Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Municipality's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from the various levels of government. The Municipality will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

## Corporation of the Municipality of Brighton Notes to Consolidated Financial Statements

December 31, 2020

### 13. Budget Amounts

The 2020 Budget adopted by Council on April 3, 2020 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards now require a full accrual basis. The budget figures treated all tangible capital expenditures as expenses and did not include amortization expense on tangible capital assets. As a result, the budget figures presented in the Consolidated Statements of Operations and Change in Net Financial Assets (Debt) represent the budget adopted by Council on April 3, 2020 with adjustments as follows:

	2020 budget adopted by Council	Non TCA expenditures from capital	2020 budget presented in statements
<b>Revenue</b>			
Taxation levied for own purposes	\$ 10,279,448	\$ -	\$ 10,279,448
User charges, licences and fines	4,678,913	-	4,678,913
Grants	5,111,234	-	5,111,234
Other	2,359,373	-	2,359,373
	<u>22,428,968</u>	-	<u>22,428,968</u>
<b>Expenditures</b>			
General government	1,471,700	16,500	1,488,200
Protection to persons and property	3,101,757	29,500	3,131,257
Transportation services	3,939,876	248,500	4,188,376
Environmental services	2,093,873	25,500	2,119,373
Health services	292,428	22,000	314,428
Recreation and cultural services	1,557,237	47,000	1,604,237
Planning and development	1,182,106	-	1,182,106
	<u>13,638,977</u>	<u>389,000</u>	<u>14,027,977</u>
Annual surplus (deficit)	8,789,991	(389,000)	<u>\$ 8,400,991</u>
Capital expenditures	(16,297,074)	389,000	
Transfers from (to) reserve/reserve funds	2,502,748	-	
Debt proceeds	4,863,750	-	
Debt repayment	(751,574)	-	
	<u>\$ (892,159)</u>	<u>\$ -</u>	
<b>Budgeted surplus</b>			
Consists of:			
Brighton Public Library	\$ 6,000		
Brighton Downtown BIA	-		
Municipality of Brighton	<u>(945,798)</u>		
	<u>\$ (939,798)</u>		

**Corporation of the Municipality of Brighton  
Notes to Consolidated Financial Statements**

**December 31, 2020**

**14. Tangible Capital Assets**

	General Assets					Infrastructure Assets		Assets Under Construction	2020
	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Water and Sewer		
Cost, beginning of year	\$ 3,778,279	\$ 3,759,681	\$ 15,114,332	\$ 4,265,721	\$ 4,382,895	\$ 72,828,472	\$ 20,435,321	\$ 2,729,099	\$ 127,293,800
Additions	-	103,990	86,470	620,274	44,657	762,072	22,647	1,763,779	3,403,889
Disposals	-	(48,793)	(5,036)	(82,392)	-	(215,815)	(90,690)	-	(442,726)
Internal transfers	-	-	-	-	-	1,469,354	482,528	(1,951,882)	-
Cost, end of year	\$ 3,778,279	\$ 3,814,878	\$ 15,195,766	\$ 4,803,603	\$ 4,427,552	\$ 74,844,083	\$ 20,849,806	\$ 2,540,996	\$ 130,254,963
Accumulated Amortization, beginning of year	\$ -	\$ 1,802,269	\$ 5,248,460	\$ 2,544,953	\$ 2,701,834	\$ 29,208,742	\$ 9,812,265	\$ -	\$ 51,318,523
Amortization	-	134,725	381,834	324,873	318,847	1,965,543	410,053	-	3,535,875
Disposals	-	(11,240)	(5,036)	(82,392)	-	(200,722)	(84,379)	-	(383,769)
Accumulated Amortization, end of year	\$ -	\$ 1,925,754	\$ 5,625,258	\$ 2,787,434	\$ 3,020,681	\$ 30,973,563	\$ 10,137,939	\$ -	\$ 54,470,629
Net book value, beginning of year	\$ 3,778,279	\$ 1,957,412	\$ 9,865,872	\$ 1,720,768	\$ 1,681,061	\$ 43,619,730	\$ 10,623,056	\$ 2,729,099	\$ 75,975,277
Net book value, end of year	\$ 3,778,279	\$ 1,889,124	\$ 9,570,508	\$ 2,016,169	\$ 1,406,871	\$ 43,870,520	\$ 10,711,867	\$ 2,540,996	\$ 75,784,334

**Corporation of the Municipality of Brighton  
Notes to Consolidated Financial Statements**

**December 31, 2020**

**14. Tangible Capital Assets (Cont'd)**

	General Assets					Infrastructure Assets		Assets Under Construction	2019
	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Water and Sewer		
Cost, beginning of year	\$ 3,778,279	\$ 3,414,486	\$ 12,796,803	\$ 3,521,541	\$ 3,631,604	\$ 71,722,476	\$ 19,993,038	\$ 2,025,819	\$ 120,884,046
Additions	-	77,677	1,290,011	924,138	961,860	1,214,979	442,283	2,006,356	6,917,304
Disposals	-	-	-	(179,958)	(210,569)	(117,023)	-	-	(507,550)
Internal transfers	-	267,518	1,027,518	-	-	8,040	-	(1,303,076)	-
Cost, end of year	\$ 3,778,279	\$ 3,759,681	\$ 15,114,332	\$ 4,265,721	\$ 4,382,895	\$ 72,828,472	\$ 20,435,321	\$ 2,729,099	\$ 127,293,800
Accumulated Amortization, beginning of year	\$ -	\$ 1,670,713	\$ 4,853,262	\$ 2,492,385	\$ 2,583,265	\$ 27,353,339	\$ 9,417,113	\$ -	\$ 48,370,077
Amortization	-	131,556	395,198	265,838	287,163	1,969,995	395,152	-	3,444,902
Disposals	-	-	-	(213,270)	(168,594)	(114,592)	-	-	(496,456)
Accumulated Amortization, end of year	\$ -	\$ 1,802,269	\$ 5,248,460	\$ 2,544,953	\$ 2,701,834	\$ 29,208,742	\$ 9,812,265	\$ -	\$ 51,318,523
Net book value, beginning of year	\$ 3,778,279	\$ 1,743,773	\$ 7,943,541	\$ 1,029,156	\$ 1,048,339	\$ 44,369,137	\$ 10,575,925	\$ 2,025,819	\$ 72,513,969
Net book value, end of year	\$ 3,778,279	\$ 1,957,412	\$ 9,865,872	\$ 1,720,768	\$ 1,681,061	\$ 43,619,730	\$ 10,623,056	\$ 2,729,099	\$ 75,975,277

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# Corporation of the Municipality of Brighton

## Notes to Consolidated Financial Statements

December 31, 2020

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### 14. Tangible Capital Assets (Cont'd)

The net book value of tangible capital assets not being amortized because they are under construction is \$2,540,996 (2019 - \$2,729,099).

The Municipality holds various works of art and historical treasures pertaining to the heritage and history of the Corporation of the Municipality of Brighton. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

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### 15. Segmented Information

The Corporation of the Municipality of Brighton is a municipal government institution that provides a wide range of services to its citizens. Municipal 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 unconditional government transfers are apportioned based on each segment's net budget requirements.

The nature of the segments and the activities they encompass are as follows:

#### **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 to Persons and Property**

Protection includes police, fire, conservation authority, protective inspection and emergency measures.

#### **Transportation Services**

The transportation function includes construction and maintenance of the Municipality's roads and bridges, winter control, parking and street lighting.

#### **Environmental Services**

The environmental function is responsible for providing storm sewer, water and sewer services to urban residents.

#### **Health Services**

The health services function consists of external transfers to the medical centre and the activities of the cemetery board.

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## Corporation of the Municipality of Brighton Notes to Consolidated Financial Statements

December 31, 2020

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### 15. Segmented Information Continued

#### **Recreational 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.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

**Corporation of the Municipality of Brighton  
Notes to Consolidated Financial Statements**

**December 31, 2020**

**15. Segmented Information Continued**

For the year ended December 31	General government	Protection to persons and property	Transportation services	Environmental Services	Health services	Recreational and cultural services	Planning and Development	2020 Total
<b>Revenue</b>								
Taxation	\$ 1,344,775	\$ 2,557,206	\$ 3,476,666	\$ -	\$ 485,979	\$ 1,359,329	\$ 987,244	\$ 10,211,199
User charges	349,488	365,602	80,781	3,332,190	241,058	226,259	286,167	4,881,545
Government transfers - provincial	458,348	300,429	380,890	15,580	53,242	322,796	112,471	1,643,756
Government transfers - federal	1,779	-	133,200	-	-	-	2,000	136,979
Developer contributions	17,068	-	309,511	65,719	22,121	195,353	-	609,772
Investment income	77,886	-	-	-	-	-	-	77,886
Penalties and interest on taxes	254,101	-	-	-	-	-	-	254,101
Donations	6,720	-	-	-	-	5,449	1,500	13,669
Gain (loss) on disposition of assets	-	-	171	(6,310)	-	(41,770)	(10,574)	(58,483)
	<u>2,510,165</u>	<u>3,223,237</u>	<u>4,381,219</u>	<u>3,407,179</u>	<u>802,400</u>	<u>2,067,416</u>	<u>1,378,808</u>	<u>17,770,424</u>
<b>Expenses</b>								
Salaries and benefits	1,094,773	768,104	1,477,872	717,142	-	910,520	320,598	5,289,009
Materials, supplies and services	670,267	278,590	1,131,951	866,491	199,135	472,331	576,019	4,194,784
Contracted services	88,441	1,878,333	444,017	59,009	-	-	3,263	2,473,063
Rent and financial expenses	16,478	9,668	42,749	2,737	-	8,352	-	79,984
Interest charges	30,724	-	116,501	49,360	27,088	30,436	-	254,109
Amortization expense	139,368	118,148	2,338,799	580,908	50,836	307,816	-	3,535,875
Internal transfers	(110,000)	13,000	(75,000)	57,000	-	100,000	15,000	-
Transfers to other entities	-	-	-	-	135,750	12,799	266,562	415,111
	<u>1,930,051</u>	<u>3,065,843</u>	<u>5,476,889</u>	<u>2,332,647</u>	<u>412,809</u>	<u>1,842,254</u>	<u>1,181,442</u>	<u>16,241,935</u>
<b>Annual surplus/(deficit)</b>	\$ 580,114	\$ 157,394	\$ (1,095,670)	\$ 1,074,532	\$ 389,591	\$ 225,162	\$ 197,366	\$ 1,528,489

**Corporation of the Municipality of Brighton  
Notes to Consolidated Financial Statements**

**December 31, 2020**

**15. Segmented Information Continued**

For the year ended December 31	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Recreation and Cultural services	Planning and development	2019 Total
<b>Revenue</b>								
Taxation	\$ 1,206,071	\$ 2,380,107	\$ 3,559,164	\$ -	\$ 289,060	\$ 1,290,017	\$ 813,134	\$ 9,537,553
User charges	329,640	455,902	64,771	2,926,555	42,108	255,207	141,829	4,216,012
Government transfers - provincial	771,321	284,044	521,202	-	32,938	252,872	92,656	1,955,033
Government transfers - federal	-	-	-	-	-	-	6,300	6,300
Developer contributions	84,652	-	1,203,900	50,000	-	61,901	-	1,400,453
Investment income	116,204	-	-	-	-	-	-	116,204
Penalties and interest on taxes	267,715	-	-	-	-	-	-	267,715
Donations	564	-	-	-	-	4,673	300	5,537
Contributed TCA	-	-	835,016	442,282	-	-	-	1,277,298
Gain (loss) on sale of assets held for sale	-	-	-	-	-	-	(70,823)	(70,823)
Gain (loss) on disposition of assets	-	(6,898)	72,950	-	-	3,246	(1,836)	67,462
	<u>2,776,167</u>	<u>3,113,155</u>	<u>6,257,003</u>	<u>3,418,837</u>	<u>364,106</u>	<u>1,867,916</u>	<u>981,560</u>	<u>18,778,744</u>
<b>Expenses</b>								
Salaries and benefits	1,064,513	828,952	1,234,181	737,940	21,222	924,941	188,388	5,000,137
Materials, supplies and services	369,416	263,547	1,386,330	861,295	162,946	418,871	906,703	4,369,108
Contracted services	45,630	1,747,176	253,891	86,978	-	-	11,741	2,145,416
Rent and financial expenses	20,477	15,179	18,992	4,656	-	8,243	-	67,547
Interest charges	-	-	83,880	55,307	-	31,062	-	170,249
Amortization expense	120,449	115,366	2,286,693	579,644	45,560	297,191	-	3,444,903
Internal transfers	(110,000)	13,000	(75,000)	57,000	-	100,000	15,000	-
Transfers to other entities	-	-	-	-	78,110	2,970	254,982	336,062
	<u>1,510,485</u>	<u>2,983,220</u>	<u>5,188,967</u>	<u>2,382,820</u>	<u>307,838</u>	<u>1,783,278</u>	<u>1,376,814</u>	<u>15,533,422</u>
<b>Annual surplus/(deficit)</b>	\$ 1,265,682	\$ 129,935	\$ 1,068,036	\$ 1,036,017	\$ 56,268	\$ 84,638	\$ (395,254)	\$ 3,245,322

**Corporation of the Municipality of Brighton**

**Trust Funds**

**Financial Statements**

**For the year ended December 31, 2020**

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## Independent Auditor's Report

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### To the Members Council, Inhabitants and Ratepayers of the Corporation of the Municipality of Brighton

#### Opinion

We have audited the accompanying financial statements of Corporation of the Municipality of Brighton Trust Funds (the Trust), which comprise the statement of financial position as at December 31, 2020, and the statement of continuity for the year then ended and notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2020, and the results of its operations 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 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 these 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 these financial statements, management is responsible for assessing the Trust'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 or to cease operations, or has no realistic alternative but to do so.

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



## Auditor's Responsibility

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'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 Trust'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 Trust 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Lindsay, Ontario  
September 7, 2021

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**Corporation of the Municipality of Brighton  
Trust Funds  
Statement of Financial Position**

<u>December 31</u>	<u>2020</u>	<u>2019</u>
<b>Financial assets</b>		
Cash	\$ 244,542	\$ 241,937
Due (to)/from Municipality	<u>602</u>	<u>(218)</u>
	<b>\$ 245,144</b>	<b>\$ 241,719</b>
<b>Liabilities and Fund Balances</b>		
<b>Accumulated Surplus</b>	<b>\$ 245,144</b>	<b>\$ 241,719</b>
<b>Impact of COVID-19 (Note 3)</b>		

On behalf of Council:



Mayor

Deputy Mayor

The accompanying notes are an integral part of these financial statements.

**Corporation of the Municipality of Brighton  
Trust Funds  
Statement of Continuity**

<b>For the year ended December 31</b>	<b>2020</b>	<b>2019</b>
<b>Accumulated Surplus, beginning of year</b>	<b>\$ 241,719</b>	<b>\$ 236,679</b>
<b>Revenues</b>		
Monument care	-	1,100
Sale of plots and niches	3,375	3,840
Interest	2,778	5,258
Scattering grounds	50	100
	<u>6,203</u>	<u>10,298</u>
<b>Expenses</b>		
Transfer to Cemetery	<u>2,778</u>	<u>5,258</u>
<b>Accumulated Surplus, end of year</b>	<b>\$ 245,144</b>	<b>\$ 241,719</b>

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**Corporation of the Municipality of Brighton  
Trust Funds  
Notes to Financial Statements**

December 31, 2020

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**1. Significant Accounting Policies**

<b>Nature and Purpose of the Entity</b>	The Corporation of the Municipality of Brighton Trust Funds is a fund responsible for holding the funds generated by perpetual care services and plot and monument sales made by the Municipality.
<b>Management Responsibility</b>	These financial statements are the responsibility of the Trust's management prepared in accordance with accounting policies and standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.
<b>Basis of Accounting</b>	Revenue and expenditures 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 goods or services and the creation of a legal obligation to pay.
<b>Revenue Recognition</b>	Revenue from the sale of products and services is recorded when the product is delivered or the service is provided. Interest revenue is recorded when received.

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**2. Mount Hope Cemetery**

The fund represents the Perpetual Care and Monument Care Trust Fund balances. Forty percent of plot sales are credited to the Perpetual Care Trust Fund to maintain these plots in perpetuity. When a memorial stone is installed, the Cemetery receives an amount which is transferred to the Monument Care Trust Fund to maintain the stone in perpetuity. Interest earned on these trust funds is used for ongoing maintenance.

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**Corporation of the Municipality of Brighton  
Trust Funds  
Notes to Financial Statements**

**December 31, 2020**

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**3. Impact of COVID-19**

On January 30, 2020, the World Health Organization announced a global health emergency because of a new strain of coronavirus, the "COVID-19 outbreak". In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

As the COVID-19 pandemic continues, there could be further effects on the Trust that could impact the timing and amounts realized on the Trust's assets and future ability to deliver services. At this time, the full potential impact of COVID-19 on the Trust is not known.

Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Trust's ability to continue delivering its services and will depend on the legislative mandates from the various levels of government. The Trust will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

**Corporation of the  
Municipality of Brighton  
Public Library Board**

**Financial Statements**

For the year ended December 31, 2020

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## Independent Auditor's Report

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**To the members of the Corporation of the Municipality of Brighton Public Library Board,  
Members of Council, Inhabitants and Ratepayers of the Municipality of Brighton**

### Qualified Opinion

We have audited the accompanying financial statements of the Corporation of the Municipality of Brighton Public Library Board (the Library), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, 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 Library as at December 31, 2020, and its results of operations, its change in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

The Library derives revenue from donations, fines and fees, book sales, miscellaneous, and non-resident user fees, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Library. Therefore, we were not able to determine whether any adjustments might be necessary to donations, fines and fees, book sales, miscellaneous, non-resident user fees, annual surplus, and cash flows from operations for the years ended December 31, 2020 and 2019, net financial assets as at December 31, 2020 and 2019, and accumulated surplus as at January 1 and December 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

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 Library 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 audit opinion.

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

Management is responsible for the preparation and fair presentation of these 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 Library'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 Library or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library'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 Library'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 Library'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 Library 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.

*BDO Canada LLP*

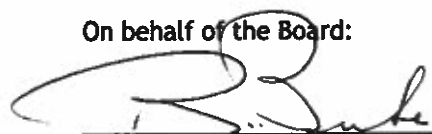
Chartered Professional Accountants, Licensed Public Accountants

Lindsay, Ontario  
June 23, 2021

**Corporation of the Municipality of Brighton  
Public Library Board  
Statement of Financial Position  
December 31, 2020**

<b>December 31</b>	<b>2020</b>	<b>2019</b>
<b>Financial assets</b>		
Cash (Note 1)	\$ 105,281	\$ 107,732
Temporary investments (Note 2)	83,155	51,257
Accounts receivable	9,903	8,649
	<u>198,339</u>	<u>167,638</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	17,830	29,175
Deferred revenue	-	3,020
	<u>17,830</u>	<u>32,195</u>
<b>Net financial assets</b>	<u>180,509</u>	<u>135,443</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 5)	331,846	316,555
Prepaid expenses	200	1,463
	<u>332,046</u>	<u>318,018</u>
<b>Accumulated surplus (Note 6)</b>	<u>\$ 512,555</u>	<u>\$ 453,461</u>
<b>Impact of COVID-19 (Note 8)</b>		

On behalf of the Board:



Chair



Treasurer

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

**Corporation of the Municipality of Brighton  
Public Library Board  
Statement of Operations  
December 31, 2020**

<b>For the year ended December 31</b>	<b>Budget</b>	<b>2020</b>	<b>2019</b>
	<b>(Note 3)</b>		
<b>Revenues</b>			
Municipal contributions (Note 7)	\$ 495,444	\$ 495,444	\$ 454,412
Government grants	31,989	33,774	40,380
Interest	500	666	1,752
Donations, fines and fees	8,500	6,102	8,278
Book sales	3,000	394	2,194
Miscellaneous	3,150	1,241	5,890
Non-resident user fees	500	225	310
	<b>543,083</b>	<b>537,846</b>	<b>513,216</b>
<b>Expenses</b>			
Salaries and employee benefits (Note 7)	380,446	352,286	354,581
Amortization	-	71,572	66,292
Supplies	6,300	8,586	7,467
Professional fees	14,500	6,536	6,507
Travel	6,000	3,984	4,948
Computer	35,500	21,597	27,181
Equipment maintenance	1,000	33	348
Communication	4,300	3,385	3,474
Outreach programs	4,500	4,249	4,348
Professional development	6,000	6,524	5,122
	<b>458,546</b>	<b>478,752</b>	<b>480,268</b>
<b>Annual surplus</b>	<b>84,537</b>	<b>59,094</b>	<b>32,948</b>
<b>Accumulated surplus, beginning of the year</b>	<b>453,461</b>	<b>453,461</b>	<b>420,513</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 537,998</b>	<b>\$ 512,555</b>	<b>\$ 453,461</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Corporation of the Municipality of Brighton  
Public Library Board  
Statement of Change in Net Financial Assets**

<b>For the year ended December 31</b>	<b>Budget</b>	<b>2020</b>	<b>2019</b>
	(Note 3)		
<b>Annual surplus</b>	\$ 84,537	\$ 59,094	\$ 32,948
Acquisition of tangible capital assets	(90,537)	(86,863)	(61,770)
Amortization of tangible capital assets	-	71,572	66,292
Change in prepaid expenses	-	1,263	(1,463)
<b>Net change in net financial assets</b>	<b>(6,000)</b>	<b>45,066</b>	<b>36,007</b>
<b>Net financial assets, beginning of year</b>	<b>135,443</b>	<b>135,443</b>	<b>99,436</b>
<b>Net financial assets, end of year</b>	<b>\$ 129,443</b>	<b>\$ 180,509</b>	<b>\$ 135,443</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Corporation of the Municipality of Brighton  
Public Library Board  
Statement of Cash Flows**

December 31	2020	2019
<b>Cash flows from operating activities</b>		
Annual surplus	\$ 59,094	\$ 32,948
<b>Items not involving cash</b>		
Amortization	71,572	66,292
	<u>130,666</u>	<u>99,240</u>
<b>Uses</b>		
Increase in accounts receivable	(1,254)	-
Increase in prepaid expenses	-	(1,463)
Decrease in accounts payable and accrued liabilities	(11,345)	-
Decrease in deferred revenue	(3,020)	-
	<u>(15,619)</u>	<u>(1,463)</u>
<b>Sources</b>		
Decrease in accounts receivable	-	13,352
Decrease in prepaid expense	1,263	-
Increase in accounts payable and accrued liabilities	-	186
Increase in deferred revenue	-	1,970
	<u>1,263</u>	<u>15,508</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(86,863)	(61,770)
<b>Net change in cash</b>	<b>29,447</b>	<b>51,515</b>
<b>Cash and temporary investments, beginning of year</b>	<b>158,989</b>	<b>107,474</b>
<b>Cash and temporary investments, end of year</b>	<b>\$ 188,436</b>	<b>\$ 158,989</b>
<b>Consists of:</b>		
Cash	\$ 105,281	\$ 107,732
Temporary Investment	83,155	51,257
<b>Total</b>	<b>\$ 188,436</b>	<b>\$ 158,989</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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# Corporation of the Municipality of Brighton Public Library Board Summary of Significant Accounting Policies

December 31, 2020

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<b>Nature of the Organization</b>	The Corporation of the Municipality of Brighton Public Library Board "the Library" is a Board of the Corporation of the Municipality of Brighton which is incorporated under the Ontario Public Library Act. The Board makes available a wide variety of reading, electronic and audio-visual materials to the citizens of Brighton and its surrounding area.
<b>Management Responsibility</b>	The financial statements of the Library are the responsibility of management and have been prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing and standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.
<b>Basis of Accounting</b>	Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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>Estimates and Measurement Uncertainty</b>	Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment. Actual results could differ from these estimates. Significant estimates included in these financial statements are the estimated useful life of tangible capital assets as noted below.
<b>Government Transfers</b>	Government transfers, including municipal contributions, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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# Corporation of the Municipality of Brighton Public Library Board

## Summary of Significant Accounting Policies

December 31, 2020

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<b>Revenue Recognition</b>	<p>The Library receives revenue from a variety of sources and applies the following recognition policies:</p> <ul style="list-style-type: none"><li>a) Grants received for operating expenses and tangible capital assets are recognized as revenue in the year in which the related expenses are incurred.</li><li>b) Fees, fines, book and miscellaneous revenue are recognized when the cash is collected.</li><li>c) Revenues from donations and fundraising events are recognized when the cash is collected. Donations relating to Library expansion are recognized as revenue in the year in which the related expenses are incurred.</li></ul>				
<b>Deferred Revenue</b>	<p>Deferred revenue represents grants or donations 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.</p>				
<b>Tangible Capital Assets</b>	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly related to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for production or use as follows:</p> <table><tr><td>Books and periodicals</td><td style="text-align: right;">7 years</td></tr><tr><td>Computer hardware and furniture</td><td style="text-align: right;">5-15 years</td></tr></table>	Books and periodicals	7 years	Computer hardware and furniture	5-15 years
Books and periodicals	7 years				
Computer hardware and furniture	5-15 years				
<b>Non-financial assets</b>	<p>Non-financial assets are normally used to deliver services. Their value lies with their service potential rather than their ability to generate future cash inflows. They form part of the financial position as they provide resources that the government can employ in the future to meet its objectives.</p>				
<b>Pension Agreement</b>	<p>The municipality is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The municipality has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The municipality records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.</p>				

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**Corporation of the Municipality of Brighton  
Public Library Board  
Notes to Financial Statements**

**December 31, 2020**

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**1. Cash**

The Library bank account is held at a chartered bank and earns a nominal amount of interest.

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**2. Temporary Investments**

The Library holds undesignated funds in the form of Guaranteed Investment Certificates with CIBC totalling \$83,155. The investments bear an interest rate of 0.25% and expire in December, 2021.

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**3. Budget Figures**

The budget adopted by the Library Board on October 30, 2019 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the budget adopted by the Library Board on October 30, 2019 with adjustments as follows:

	<u>2020</u>
Balanced budget for the year	\$ -
Add:	
Capital expenditures	90,537
Less:	
HST - Public Service Bodies rebate	<u>(6,000)</u>
Budget surplus per statement of operations	<u>\$ 84,537</u>

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**4. Pension Agreement**

OMERS provides pension services to over half a million (525,981) active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2020. The results of this valuation disclosed total actuarial liabilities of \$113,055 million (2019 - \$107,687 million) in respect of benefits accrued for service with actuarial assets at that date of \$109,844 (2019 - \$104,290) million indicating an actuarial deficit of \$3,211 million (2019 - \$3,397 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. Contributions made by the Library to OMERS for 2020 were \$17,705 (2019 - \$17,997).

**Corporation of the Municipality of Brighton  
Public Library Board  
Notes to Financial Statements**

**December 31, 2020**

**5. Tangible Capital Assets**

	Books and Periodicals	Computer Hardware & Furniture	2020
Cost beginning of year	\$ 375,801	\$ 259,176	\$ 634,977
Additions during the year	84,362	2,501	86,863
Disposals during the year	(48,566)	-	(48,566)
Cost end of the year	<u>\$ 411,597</u>	<u>\$ 261,677</u>	<u>\$ 673,274</u>
Accumulated amortization beginning of year	\$ 205,101	\$ 113,321	\$ 318,422
Amortization expense	58,800	12,772	71,572
Accumulated amortization of disposals	(48,566)	-	(48,566)
Accumulated amortization end of year	<u>\$ 215,335</u>	<u>\$ 126,093</u>	<u>\$ 341,428</u>
Net book value beginning of year	<u>\$ 170,700</u>	<u>\$ 145,855</u>	<u>\$ 316,555</u>
Net book value end of year	<u>\$ 196,262</u>	<u>\$ 135,584</u>	<u>\$ 331,846</u>

	Books and Periodicals	Computer Hardware & Furniture	2019
Cost beginning of year	\$ 362,332	\$ 259,176	\$ 621,508
Additions during the year	61,770	-	61,770
Disposals during the year	(48,301)	-	(48,301)
Cost end of the year	<u>\$ 375,801</u>	<u>\$ 259,176</u>	<u>\$ 634,977</u>
Accumulated amortization beginning of year	\$ 199,716	\$ 100,715	\$ 300,431
Amortization expense	53,686	12,606	66,292
Accumulated amortization of disposals	(48,301)	-	(48,301)
Accumulated amortization end of year	<u>\$ 205,101</u>	<u>\$ 113,321</u>	<u>\$ 318,422</u>
Net book value beginning of year	<u>\$ 162,616</u>	<u>\$ 158,461</u>	<u>\$ 321,077</u>
Net book value end of year	<u>\$ 170,700</u>	<u>\$ 145,855</u>	<u>\$ 316,555</u>

**Corporation of the Municipality of Brighton  
Public Library Board  
Notes to Financial Statements**

**December 31, 2020**

**6. Accumulated Surplus**

	2020	2019
Operating surplus	\$ 97,554	\$ 85,649
Surplus attributable to tangible capital assets	331,846	316,555
Reserve funds	83,155	51,257
	\$ 512,555	\$ 453,461

**7. Related Party Transactions**

The Library is related a local board of the Corporation of the Municipality of Brighton (the Municipality).

The Municipality contributed \$495,444 (2019 - \$454,412) to help fund the operations of the Library in the year. The Library paid \$26,525 (2019 - \$20,981) to the Municipality to cover employee health insurance. These transactions are in the ordinary course of business and are recorded at the exchange amount.

**8. Impact of COVID-19**

On January 30, 2020, the World Health Organization announced a global health emergency because of a new strain of coronavirus, the "COVID-19 outbreak". In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve throughout the world including Canada. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the impact on the Library will not be known with certainty for months to come. Due to rules placed by the provincial government on non-essential services, the Library has been subject to closures to the public. As of June 11, 2021 the Library has re-opened with limited capacity. The Library has received its annual funding from the municipality for 2021, however the provincial closures may impact fines, fees and other revenue.

At this time, these factors that present uncertainty over future cash flows, may cause significant changes to the net assets of the Library and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time

**Corporation of the  
Municipality of Brighton  
Brighton Downtown Business  
Improvement Area**

**Financial Statements**

For the year ended December 31, 2020

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## Independent Auditor's Report

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**To the Members of the Corporation of the Municipality of Brighton Downtown Business Improvement Area Board, Members of Council, Inhabitants and Ratepayers of the Municipality of Brighton**

### Qualified Opinion

We have audited the accompanying financial statements of the Brighton Downtown Business Improvement Area of the Corporation of the Municipality of Brighton (the Business Improvement Area), which comprise the statement of financial position as at December 31, 2020, and the statements of operations 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 Business Improvement Area as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

The Business Improvement Area derives revenue from fundraising activities 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 Business Improvement Area. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, annual surplus, and cash flows from operations for the years ended December 31, 2020 and 2019, net financial assets as at December 31, 2020 and 2019, and accumulated surplus as at January 1 and December 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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 Entity 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 audit opinion.

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

Management is responsible for the preparation and fair presentation of these 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 Business Improvement Area'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 Business Improvement Area or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Business Improvement Area'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 Business Improvement Area'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 Business Improvement Area'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 Business Improvement Area 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Lindsay, Ontario  
August 12, 2021

**Corporation of the Municipality of Brighton  
Brighton Downtown Business Improvement Area  
Statement of Financial Position**

<b>December 31</b>	<b>2020</b>	<b>2019</b>
<b>Financial Assets</b>		
Cash (Note 2)	\$ 15,421	\$ 12,912
Accounts receivable	2,634	2,272
	<u>18,055</u>	<u>15,184</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	<u>2,500</u>	2,200
<b>Accumulated surplus</b>	<b>\$ 15,555</b>	<b>\$ 12,984</b>
<b>Impact of COVID-19 (Note 4)</b>		

*J. Murray, Chair*  
*Amy Johnson, Treasurer*

On behalf of the Board:

\_\_\_\_\_ President

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

**Corporation of the Municipality of Brighton  
Brighton Downtown Business Improvement Area  
Statement of Operations**

<b>For the year ended December 31</b>	<b>Budget 2020</b>	<b>Actual 2020</b>	<b>Actual 2019</b>
	(Note 1)		
<b>Revenues</b>			
Tax revenue	\$ 39,850	\$ 39,850	\$ 37,950
Donations and fundraising	-	1,500	300
	<u>39,850</u>	<u>41,350</u>	<u>38,250</u>
<b>Expenses</b>			
Administration	5,050	5,068	5,447
Advertising and business promotion	10,250	6,719	10,572
Area development	18,500	16,458	20,119
Professional fees	2,300	2,673	2,354
Special events	3,750	7,861	6,444
	<u>39,850</u>	<u>38,779</u>	<u>44,936</u>
<b>Annual surplus (deficit)</b>	-	2,571	(6,686)
<b>Accumulated surplus, beginning of year</b>	-	12,984	19,670
<b>Accumulated surplus, end of year</b>	<u>\$ -</u>	<u>\$ 15,555</u>	<u>\$ 12,984</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Corporation of the Municipality of Brighton  
Brighton Downtown Business Improvement Area  
Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Annual surplus (deficit)	\$ 2,571	\$ (6,686)
<b>Uses</b>		
Increase in accounts receivable	(362)	(581)
<b>Sources</b>		
Increase in accounts payable and accrued liabilities	300	100
<b>Net change in cash</b>	<b>2,509</b>	<b>(7,167)</b>
<b>Cash, beginning of year</b>	<b>12,912</b>	<b>20,079</b>
<b>Cash, end of year</b>	<b>\$ 15,421</b>	<b>\$ 12,912</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

---

**Corporation of the Municipality of Brighton  
Brighton Downtown Business Improvement Area  
Summary of Significant Accounting Policies**

**December 31, 2020**

---

<b>Nature of Business</b>	The Municipality of Brighton is a municipality in the Province of Ontario, Canada. The Brighton Downtown Business Improvement Area is designated under a special municipal by-law and legislated by the Province of Ontario. It is designed to be a self-help mechanism that provides the tools and resources necessary to promote and beautify the area.
<b>Management Responsibility</b>	The financial statements of the Business Improvement Area are the representation of management prepared in accordance with Canadian public sector accounting standards.
<b>Basis of Accounting</b>	Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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>Revenue Recognition</b>	<p>The Business Improvement Area receives revenue from a variety of sources and applies the following revenue recognition policies:</p> <ol style="list-style-type: none"><li>a) Taxation revenue is recognized in the calendar year it is raised from ratepayers by the Municipality.</li><li>b) Revenue from donations and events is recognized when the cash is collected.</li><li>c) Grants received for operating expenses and tangible capital assets are recognized as revenue in the year in which the related expenses are incurred.</li></ol>

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# Corporation of the Municipality of Brighton Brighton Downtown Business Improvement Area Notes to Financial Statements

December 31, 2020

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## 1. Budget Amounts

The budget approved by the Board on February 4, 2020 was prepared on a basis consistent with that used to report actual results. The budget was prepared on a full accrual basis consistent with Public Sector Accounting Standards.

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## 2. Cash

The Business Improvement Area bank account is held at a chartered bank and earns a nominal amount of interest.

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## 3. Commitments

The Business Improvement Area is committed to one year of paid advertising from two vendors, payable quarterly and totalling \$3,227.

Additionally, the Business Improvement Area has committed up to \$3,000 towards revitalizing Casey Lane in partnership with the Municipality of Brighton and RED (Rural Economic Development) grants. While the exact cost of the project is not determinable at this time, the committed amount has been approved by the Board of Directors and the Business Improvement Area does not expect to pay in excess of the approved amount.

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## 4. Impact of COVID-19

On January 30, 2020, the World Health Organization announced a global health emergency because of a new strain of coronavirus, the "COVID-19 outbreak". In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve throughout the world including Canada. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the impact on the Business Improvement Area will not be known with certainty for months to come. Funding received in 2021 from the Municipality is not expected to be affected.

Although the Business Improvement Area cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Business Improvement Area's results of future operations, financial position, and liquidity in fiscal year 2021.