

CORPORATION OF THE BRIGHTON MUNICIPALITY OF
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

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TABLE OF CONTENTS

	Page Number
MANAGEMENT REPORT	
INDEPENDENT AUDITOR'S REPORT	
CONSOLIDATED FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Change in Net Financial Assets/(Net Debt)	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 15
Schedule of Tangible Capital Assets	16
Schedules of Segment Disclosure	17 - 18
TRUST FUND	
Independent Auditor's Report	19
Statement of Financial Position	21
Statement of Continuity	21
Notes to the Financial Statements	22
LOCAL BOARDS	
Brighton Downtown Business Improvement Area	23 - 30
Brighton Public Library Board	31 - 42



CORPORATION OF THE BRIGHTON MUNICIPALITY OF

For The Year Ended December 31, 2022

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Brighton Municipality of 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 Brighton Municipality of. 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 Treasurer

December 18, 2023

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of the Corporation of the Brighton Municipality of and its local boards (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2022, the consolidated statements of operations and accumulated surplus, change in net financial assets/(net debt) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2022, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
February 26, 2024



CORPORATION OF THE BRIGHTON MUNICIPALITY OF

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments	13,840,299	15,313,568
Accounts receivable (note 2)	2,039,926	2,253,135
Taxes receivable	2,095,171	1,625,330
Inventory for resale	4,242	7,745
Assets held for sale (note 3)	334,362	240,557
TOTAL FINANCIAL ASSETS	18,314,000	19,440,335
LIABILITIES		
Accounts payable and accrued liabilities	4,734,886	4,281,872
Deferred revenue - obligatory reserve funds (note 5)	5,333,570	4,926,107
Deferred revenue - other (note 6)	1,623,950	1,321,160
Long term debt (note 8)	6,952,604	7,577,432
TOTAL LIABILITIES	18,645,010	18,106,571
NET FINANCIAL ASSETS/(NET DEBT)	(331,010)	1,333,764
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	82,397,589	78,181,802
Inventories of materials and supplies	153,881	164,875
Prepaid expenses	13,891	450
TOTAL NON-FINANCIAL ASSETS	82,565,361	78,347,127
ACCUMULATED SURPLUS (note 13)	82,234,351	79,680,891

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Property taxation	11,266,277	10,980,791	10,531,788
User charges	5,323,222	5,423,667	5,167,828
Government of Canada	9,325	79,095	18,977
Province of Ontario	6,011,758	2,167,445	1,360,162
Penalties and interest on taxes	230,000	283,299	276,132
Investment income	48,000	194,379	65,798
Donations	5,750	7,205	12,256
Contributed tangible capital assets	-	1,775,841	2,709,538
Gain/(loss) on assets held for sale	70,000	(96,299)	172,781
Development charges earned	1,629,084	308,097	421,422
Parkland fees earned	-	-	12,800
Canada Community-Building Fund earned	588,429	354,215	786,738
Gain/(loss) on disposal of tangible capital assets	-	1,444	66,383
TOTAL REVENUES	25,181,845	21,479,179	21,602,603
EXPENSES			
General government	2,022,175	2,155,776	1,976,990
Protection services	3,761,774	3,998,430	3,434,285
Transportation services	6,499,823	6,274,695	6,359,367
Environmental services	3,014,757	3,102,489	2,362,497
Health services	367,899	412,548	379,405
Recreation and cultural services	1,856,386	1,960,486	1,801,231
Planning and development	1,113,218	1,021,295	904,502
TOTAL EXPENSES	18,636,032	18,925,719	17,218,277
ANNUAL SURPLUS	<u>6,545,813</u>	2,553,460	4,384,326
ACCUMULATED SURPLUS - beginning of year		79,680,891	75,296,565
ACCUMULATED SURPLUS - end of year		82,234,351	79,680,891

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)

For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS	6,545,813	2,553,460	4,384,326
Amortization of tangible capital assets	3,757,198	3,860,818	3,745,046
Purchase of tangible capital assets	(24,879,990)	(6,540,432)	(3,524,849)
Gain on disposal of tangible capital assets	-	(1,444)	(66,383)
Proceeds on sale of tangible capital assets	-	241,112	116,430
Contributed capital assets	-	(1,775,841)	(2,709,538)
Change in inventories of materials and supplies	-	10,994	(68,879)
Change in prepaid expenses	-	(13,441)	(250)
Proceeds of long term debt	9,380,750	-	-
CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)	(5,196,229)	(1,664,774)	1,875,903
NET FINANCIAL ASSETS/(NET DEBT) - beginning of year	1,333,764	1,333,764	(542,139)
NET FINANCIAL ASSETS/(NET DEBT) - end of year	(3,862,465)	(331,010)	1,333,764

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	2,553,460	4,384,326
Items not involving cash		
Amortization of tangible capital assets	3,860,818	3,745,046
Gain on disposal of tangible capital assets	(1,444)	(66,383)
Contributed capital assets	(1,775,841)	(2,709,538)
Change in non-cash assets and liabilities		
Accounts receivable	213,209	(141,738)
Taxes receivable	(469,841)	198,345
Inventory for resale	3,503	4,504
Inventories of materials and supplies	10,994	(68,879)
Prepaid expenses	(13,441)	(250)
Accounts payable and accrued liabilities	453,014	(1,110,772)
Deferred revenue - obligatory reserve funds	407,463	741,994
Deferred revenue - other	302,790	348,470
Net change in cash from operating activities	5,544,684	5,325,125
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(6,540,432)	(3,524,849)
Proceeds on disposal of tangible capital assets	241,112	116,431
Acquisition of assets held for sale	(213,842)	-
Disposal of assets held for sale	120,037	177,591
Net change in cash from capital activities	(6,393,125)	(3,230,827)
FINANCING ACTIVITIES		
Debt principal repayments	(624,828)	(609,300)
NET CHANGE IN CASH	(1,473,269)	1,484,998
CASH - beginning of year	15,313,569	13,828,571
CASH - end of year	13,840,300	15,313,569

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

The Brighton Municipality of 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:

- Brighton Downtown Business Improvement Area
- Brighton Public Library Board

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

(b) 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.

(c) Tangible Capital Assets

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

Land improvements	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

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

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of Revenues and Expenses

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

Taxation

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

The Enter description 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 fees are recognized as revenue in the year the goods and services are provided.

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) Non-financial Assets

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

(f) Reserves and Reserve Funds

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

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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 amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

2. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Canada	183,789	143,035
Ontario	343,619	259,585
County of Northumberland	55,973	415,851
Other municipalities	-	5,650
School Boards	828	-
Water and sewer customer accounts	812,118	761,288
Other accounts receivable	693,002	717,129
Allowance for doubtful accounts	(49,403)	(49,403)
	<u>2,039,926</u>	<u>2,253,135</u>

3. 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 Consolidated Statement of Financial Position.

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

4. TANGIBLE CAPITAL ASSETS

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

	2022	2021
	\$	\$
General		
Land	4,097,030	4,083,279
Land improvements	2,242,084	2,028,583
Buildings	9,223,186	9,463,972
Machinery and equipment	1,851,335	1,783,989
Vehicles	2,414,896	1,267,909
Infrastructure		
Roads and bridges	46,537,762	45,612,462
Water and sewer	12,372,028	11,607,900
Assets under construction	3,659,268	2,333,708
	82,397,589	78,181,802

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

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

Tangible capital assets allocated by segment are as follows:

	2022	2021
	\$	\$
General government	1,940,405	2,070,869
Protection services	1,794,614	855,321
Transportation services	51,339,110	50,605,963
Environmental services	18,931,138	16,733,986
Health services	2,344,770	2,397,789
Recreation and cultural services	6,047,552	5,517,874
	82,397,589	78,181,802

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

	2022	2021
	\$	\$
Development charges	4,061,655	3,709,535
Canada Community-Building Fund	1,213,702	1,164,556
Parkland	58,213	52,016
	5,333,570	4,926,107

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

	2022	2021
	\$	\$
Balance - beginning of year	4,926,107	4,184,148
Add amounts received:		
Development charges	574,685	1,211,584
Canada Community-Building Fund	375,634	746,891
Parkland	5,000	4,444
Interest earned	114,456	-
	1,069,775	1,962,919
Less transfer to operations:		
Development charges	308,097	421,422
Canada Community-Building Fund	354,215	786,738
Parkland	-	12,800
	662,312	1,220,960
Balance - end of year	5,333,570	4,926,107

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

6. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2022	2021
	\$	\$
Ontario Community Infrastructure Fund	1,517,051	1,230,262
Other	106,899	90,898
	1,623,950	1,321,160

The continuity of deferred revenue - other is as follows:

	2022	2021
	\$	\$
Balance - beginning of year	1,321,160	972,690
Add amounts received:		
Ontario Community Infrastructure Fund	807,143	380,300
Other	16,000	-
Interest	35,943	-
	859,086	380,300
Less transfer to operations:		
Other	-	31,830
Ontario Community Infrastructure Fund	556,296	-
	556,296	31,830
Balance - end of year	1,623,950	1,321,160

7. PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 2022 Annual Report disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with actuarial assets of \$123,628 million indicating an actuarial deficit of \$6,678 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit.

The Municipality's required contributions to OMERS in 2022 were \$372,506 (2021 - \$338,636).

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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:

	2022	2021
	\$	\$
Long term bank loan maturing December 2022, repayable in blended monthly instalments of \$652, with interest at 2.93%	-	7,077
Interest-free long term loan maturing March 2026, repayable annually at \$50,000 per year	184,456	234,456
Long term bank loan maturing April 2027, repayable in blended semi-annual instalments of \$28,087, with interest at 2.69%	236,590	285,414
Long term bank loan maturing August 2030, repayable in blended monthly instalments of \$7,247, with interest at 2.72%	601,280	670,920
Long term bank loan maturing August 2030, repayable in blended monthly instalments of \$12,540 with interest at 2.72%	1,040,424	1,160,926
Long term bank loan maturing April 2032, repayable in blended semi-annual instalments of \$114,596 with interest at 3.13%	1,870,905	2,037,613
Long term bank loan maturing August 2034, repayable in blended semi-annual instalments of \$50,127, with interest at 2.65%	1,024,772	1,096,442
Long-term bank loan maturing December 2039, repayable in blended semi-annual instalments of \$74,176, with interest at 2.81%	1,994,177	2,084,584
	<u>6,952,604</u>	<u>7,577,432</u>

- (b) The long term debt in (a) issued in the name of the Municipality have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

- (c) Interest paid during the year on long term debt amounted to \$168,584 (2021 - \$216,495).

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

8. LONG TERM DEBT, continued

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

	Principal \$	Interest \$	Total \$
2023	629,374	187,698	817,072
2024	646,005	171,068	817,073
2025	663,115	153,957	817,072
2026	665,174	136,354	801,528
2027	546,342	101,760	648,102
2028 and subsequent years	3,802,594	458,387	4,260,981
	<u>6,952,604</u>	<u>1,209,224</u>	<u>8,161,828</u>

9. 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.

10. COMMITMENT

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

11. CREDIT FACILITY AGREEMENT

The Municipality has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$4,000,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate less 0.5% per annum. Council authorized the temporary borrowing limit by By-law 005-2021. At December 31, 2022 there was no balance outstanding.

12. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$259,734 (2021 - \$253,234) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

13. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Surplus/(Deficit)		
Municipality	24,623	89,923
Brighton Downtown Business Improvement Area	11,795	17,237
Brighton Public Library Board	77,495	83,812
	<u>113,913</u>	<u>190,972</u>
Invested In Capital Assets		
Tangible capital assets - net book value	82,397,589	78,181,802
Long term debt	(6,952,604)	(7,577,432)
Unfunded capital (see below)	(3,760,699)	(2,373,779)
	<u>71,684,286</u>	<u>68,230,591</u>
Surplus	<u>71,798,199</u>	<u>68,421,563</u>
Reserves		
Reserves	4,684,020	4,661,384
Reserve Funds		
Reserve funds	5,752,132	6,597,944
	<u>82,234,351</u>	<u>79,680,891</u>

Unfunded capital is comprised of:

	2022	2021
	\$	\$
Protection services	(1,175,813)	(192,521)
Transportation services	(1,666,756)	(1,485,680)
Health services	(249,202)	(308,350)
Recreation and cultural services	(350,569)	(337,835)
Planning and development	(318,359)	(49,393)
	<u>(3,760,699)</u>	<u>(2,373,779)</u>

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

14. SEGMENTED INFORMATION

The Brighton Municipality of is a municipal government organization that provides a range of services to its residents. Municipality services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

General Government

General government consists of the activities of Council and general financial and administrative management of the Municipality and its programs and services.

Protection Services

Protection services include police, fire, conservation authority and protective inspection and 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.

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 BRIGHTON MUNICIPALITY OF

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

15. BUDGET FIGURES

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

16. EXPENSES BY OBJECT

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

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
Salaries and benefits	7,329,310	6,712,409	6,008,862
Interest charges	176,161	168,584	216,495
Materials	3,477,551	4,413,632	3,832,480
Contracted services	3,383,731	3,282,323	2,954,675
Rents and financial	2,700	6,076	4,887
External transfers	509,381	481,877	455,832
Amortization	3,757,198	3,860,818	3,745,046
	18,636,032	18,925,719	17,218,277

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

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

	General				Infrastructure			Totals \$		
	Land \$	Land Improvements \$	Buildings \$	Machinery and Equipment \$	Vehicles \$	Roads and Bridges \$	Water and Sewer \$		Assets Under Construction \$	
COST										
Balance, beginning of year	4,083,279	4,022,471	15,468,709	4,670,579	4,260,521	78,583,437	22,127,565	2,333,708	135,550,269	
Add: additions during the year	13,751	360,512	112,967	391,079	1,575,849	2,479,249	1,103,528	2,279,338	8,316,273	
Less: disposals during the year	-	24,681	-	153,140	478,888	566,089	36,173	-	-	1,258,971
Internal transfers	-	18,137	66,588	-	-	767,862	101,191	(953,778)	-	-
Balance, end of year	4,097,030	4,376,439	15,648,264	4,908,518	5,357,482	81,264,459	23,296,111	3,659,268	142,607,571	
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	1,993,888	6,004,737	2,886,590	2,992,612	32,970,975	10,519,665	-	-	57,368,467
Add: additions during the year	-	155,810	420,341	323,733	428,862	2,092,370	439,702	-	-	3,860,818
Less: disposals during the year	-	15,343	-	153,140	478,888	336,648	35,284	-	-	1,019,303
Balance, end of year	-	2,134,355	6,425,078	3,057,183	2,942,586	34,726,697	10,924,083	-	-	60,209,982
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	4,097,030	2,242,084	9,223,186	1,851,335	2,414,896	46,537,762	12,372,028	3,659,268	82,397,589	

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2022

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues								
Property taxation	(197,730)	3,175,117	5,224,741	-	429,450	1,760,773	588,440	10,980,791
User charges	95,094	466,668	213,515	3,978,716	259,259	268,007	142,408	5,423,667
Government transfers - operating	1,153,461	30,952	58,400	-	-	54,147	24,284	1,321,244
Government transfers - capital	-	-	556,296	-	-	369,000	-	925,296
Penalties and interest on taxes	283,299	-	-	-	-	-	-	283,299
Investment income	193,520	-	-	-	-	859	-	194,379
Donations	-	-	-	-	-	4,705	2,500	7,205
Contributed tangible capital assets	-	-	1,081,879	693,962	-	-	-	1,775,841
Sale of assets held for sale	-	-	-	-	-	-	(96,299)	(96,299)
Development charges earned	17,068	17,783	25,837	65,719	22,121	159,569	-	308,097
Canada Community-Building Fund earned	-	-	354,215	-	-	-	-	354,215
Gain/(loss) on disposal of tangible capital assets	-	14,045	(3,382)	(888)	-	(8,331)	-	1,444
Total revenues	1,544,712	3,704,565	7,511,501	4,737,509	710,830	2,608,729	661,333	21,479,179
Expenses								
Salaries and benefits	1,340,393	1,151,245	1,706,931	908,637	8,617	1,084,256	512,330	6,712,409
Interest charges	28,014	-	58,016	39,847	25,278	17,429	-	168,584
Materials	554,084	514,930	1,803,734	636,487	182,139	505,932	216,326	4,413,632
Contracted services	94,586	1,937,994	214,810	845,373	18,226	20,773	150,561	3,282,323
Rents and financial	922	-	-	5,114	-	40	-	6,076
External transfers	-	178,888	46,430	-	125,269	4,212	127,078	481,877
Amortization	137,777	202,373	2,519,774	610,031	53,019	337,844	-	3,860,818
Internal transfers	-	13,000	(75,000)	57,000	-	(10,000)	15,000	-
Total expenses	2,155,776	3,998,430	6,274,695	3,102,489	412,548	1,960,486	1,021,295	18,925,719
Net surplus/(deficit)	(611,064)	(293,865)	1,236,806	1,635,020	298,282	648,243	(359,962)	2,553,460



CORPORATION OF THE BRIGHTON MUNICIPALITY OF

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2021

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	(103,917)	2,926,440	5,037,640	-	158,131	1,587,168	926,326	10,531,788
User charges	101,388	648,796	125,349	3,633,337	236,883	167,132	254,943	5,167,828
Government transfers - operating	1,266,395	20,586	7,980	-	-	75,593	8,585	1,379,139
Penalties and interest on taxes	276,132	-	-	-	-	-	-	276,132
Investment income	65,590	-	-	-	-	208	-	65,798
Donations	-	-	-	-	-	12,256	-	12,256
Contributed tangible capital assets	-	-	1,991,747	717,791	-	-	-	2,709,538
Sale of assets held for sale	-	-	55,717	-	-	30,525	86,539	172,781
Development charges earned	23,420	-	277,744	-	22,121	98,137	-	421,422
Parkland fees earned	-	-	-	-	-	12,800	-	12,800
Canada Community-Building Fund earned	-	-	786,738	-	-	-	-	786,738
Gain/(loss) on disposal of tangible capital assets	-	-	54,610	(3,359)	-	15,132	-	66,383
Total revenues	1,629,008	3,595,822	8,337,525	4,347,769	417,135	1,998,951	1,276,393	21,602,603
Expenses								
Salaries and benefits	1,173,283	907,375	1,620,599	786,819	8,163	1,015,037	497,586	6,008,862
Interest charges	34,591	-	79,722	52,513	30,497	19,172	-	216,495
Materials	480,210	308,712	1,641,620	728,188	132,139	425,221	116,390	3,832,480
Contracted services	166,077	1,918,986	513,852	119,088	19,622	28,591	188,459	2,954,675
Rents and financial	82	-	-	4,788	-	17	-	4,887
External transfers	-	167,230	38,342	-	139,164	24,029	87,067	455,832
Amortization	122,747	118,982	2,540,232	614,101	49,820	299,164	-	3,745,046
Internal transfers	-	13,000	(75,000)	57,000	-	(10,000)	15,000	-
Total expenses	1,976,990	3,434,285	6,359,367	2,362,497	379,405	1,801,231	904,502	17,218,277
Net surplus/(deficit)	(347,982)	161,537	1,978,158	1,985,272	37,730	197,720	371,891	4,384,326

INDEPENDENT AUDITOR'S REPORT**To the Members of Council, Inhabitants and Ratepayers
of the Brighton Municipality of***Opinion*

We have audited the financial statements of the Trust Fund of the Corporation of the Brighton Municipality of (the Trust Fund), which comprise the statement of financial position as at December 31, 2022, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2022, and the continuity of the Trust Fund 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 Fund 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 Fund'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 Trust Fund or to cease operations, or has no realistic alternative but to do so.

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

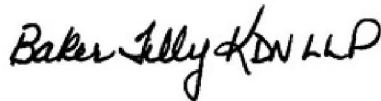
Auditor's Responsibilities for the Audit of the Financial Statements

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 Trust Fund'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 Fund'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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
February 26, 2024

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash	258,488	253,234
Due (to)/from Municipality	1,246	-
	<u>259,734</u>	<u>253,234</u>
FUND BALANCE	<u>259,734</u>	<u>253,234</u>

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

	2022	2021
	\$	\$
BALANCE - beginning of year	253,234	245,144
RECEIPTS		
Sale of plots and niches	6,450	8,040
Interest	5,254	1,720
Scattering grounds	50	50
	<u>11,754</u>	<u>9,810</u>
EXPENSES		
Transfer to Cemetery	5,254	1,720
BALANCE - end of year	<u>259,734</u>	<u>253,234</u>

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

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

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(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 Enter description best information and judgment. Actual results could differ from these estimates.

**CORPORATION OF THE BRIGHTON
MUNICIPALITY OF**

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA

FINANCIAL STATEMENTS

DECEMBER 31, 2022

INDEPENDENT AUDITOR'S REPORT**To the Members of the Brighton Downtown Business Improvement Area, the Members of Council, Inhabitants and Ratepayers of the Brighton Municipality of****T: (705) 742-3418**
F: (705) 742-9775**www.bakertilly.ca***Qualified Opinion*

We have audited the financial statements of the Brighton Downtown Business Improvement Area of the Corporation of the Brighton Municipality of (the Business Improvement Area), which comprise the statement of financial position as at December 31, 2022, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Business Improvement Area as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many business improvement areas, the Business Improvement Area derives revenue from donations, 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 donations revenue, annual surplus/(deficit), assets and accumulated surplus.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Business Improvement Area 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 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.

ASSURANCE • TAX • ADVISORY

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

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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
February 26, 2024

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

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

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash	10,897	20,189
Accounts receivable	5,565	2,794
TOTAL FINANCIAL ASSETS	16,462	22,983
LIABILITIES		
Accounts payable	4,667	5,746
NET FINANCIAL ASSETS	11,795	17,237
ACCUMULATED SURPLUS (note 2)	11,795	17,237

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Municipal funding	40,650	40,650	39,850
Donations	-	2,500	-
TOTAL REVENUES	40,650	43,150	39,850
EXPENSES			
Administration	6,950	6,427	5,518
Advertising and promotion	9,250	11,572	10,175
Area development	13,000	12,576	13,313
Professional fees	3,000	1,781	2,697
Special events	20,800	16,236	6,465
TOTAL EXPENSES	53,000	48,592	38,168
ANNUAL SURPLUS/(DEFICIT)	<u>(12,350)</u>	(5,442)	1,682
ACCUMULATED SURPLUS - beginning of year		17,237	15,555
ACCUMULATED SURPLUS - end of year		11,795	17,237

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS/(DEFICIT)	(12,350)	(5,442)	1,682
NET FINANCIAL ASSETS - beginning of year	17,237	17,237	15,555
NET FINANCIAL ASSETS - end of year	4,887	11,795	17,237

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	(5,442)	1,682
Change in non-cash assets and liabilities		
Accounts receivable	(2,771)	(160)
Accounts payable	(1,079)	3,246
NET CHANGE IN CASH	(9,292)	4,768
CASH - beginning of year	20,189	15,421
CASH - end of year	10,897	20,189

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

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

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Business Improvement Area 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.

(b) Inter-Entity Transactions

The Brighton Downtown Business Improvement Area is a Board of the Municipality of Brighton 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. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Surplus		
Operations	11,795	17,237
	11,795	17,237

3. BUDGET FIGURES

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

4. INTER-ENTITY TRANSACTIONS

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



**CORPORATION OF THE BRIGHTON
MUNICIPALITY OF**

BRIGHTON PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2022

INDEPENDENT AUDITOR'S REPORT**To the Members of the Brighton Public Library Board, the
Members of Council, Inhabitants and Ratepayers of the
Brighton Municipality of****T: (705) 742-3418
F: (705) 742-9775****www.bakertilly.ca***Qualified Opinion*

We have audited the financial statements of the Brighton Public Library Board of the Corporation of the Brighton Municipality of (the Library), which comprise the statement of financial position as at December 31, 2022, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many Public Library Boards, the Library derives revenue from user fees, fundraising and donations, 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 revenue, annual surplus/(deficit), assets and accumulated surplus.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 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 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

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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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants


Peterborough, Ontario
September 27, 2023


CORPORATION OF THE BRIGHTON MUNICIPALITY OF

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

	2022 \$	2021 \$ (Restated - note 8)
FINANCIAL ASSETS		
Cash	86,612	97,510
Short term investments (note 3)	80,781	83,363
Accounts receivable	9,052	10,525
TOTAL FINANCIAL ASSETS	176,445	191,398
LIABILITIES		
Accounts payable	25,056	24,881
NET FINANCIAL ASSETS	151,389	166,517
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	284,643	286,042
Prepaid expenses	9,261	450
TOTAL NON-FINANCIAL ASSETS	293,904	286,492
ACCUMULATED SURPLUS (note 5)	445,293	453,009

Approved on behalf of the Library:

 Director

 Director

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

BRIGHTON PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2022

	Budget 2022 \$	Actual 2022 \$	Actual 2021 \$ (Restated - note 8)
	(Unaudited)		
REVENUES			
Municipal Contributions (note 6)	602,285	602,285	574,444
Province of Ontario	29,639	29,639	29,639
Government of Canada	3,000	1,800	2,887
Other grants	4,000	4,197	4,263
Investment income	1,000	859	208
Donations and fundraising	5,000	3,710	11,776
Fines and fees	4,100	3,865	2,638
Book sales	3,500	2,667	1,466
Miscellaneous	100	4,478	200
TOTAL REVENUES	652,624	653,500	627,521
EXPENSES			
Salaries and benefits	417,424	438,325	401,905
Amortization	58,346	60,170	58,346
Supplies	27,660	20,314	33,473
Professional fees	6,450	4,908	10,145
Travel	1,820	1,609	1,605
Computer	27,627	21,196	23,347
Communication	3,566	3,878	4,294
Outreach programs	4,009	4,389	4,439
Professional development	3,515	4,329	5,131
Promotion and fundraising	1,788	1,890	2,527
Service charges	-	208	29
Space and services	100,000	100,000	100,000
TOTAL EXPENSES	652,205	661,216	645,241
ANNUAL SURPLUS/(DEFICIT)	<u>419</u>	(7,716)	(17,720)
ACCUMULATED SURPLUS - beginning of year		453,009	470,729
ACCUMULATED SURPLUS - end of year		445,293	453,009

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

BRIGHTON PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$ (Restated - note 8)
ANNUAL SURPLUS/(DEFICIT)	419	(7,716)	(17,720)
Amortization of tangible capital assets	58,346	60,170	58,346
Acquisition of tangible capital assets	(58,765)	(58,771)	(54,368)
Change in prepaid expenses	-	(8,811)	(250)
DECREASE IN NET FINANCIAL ASSETS	-	(15,128)	(13,992)
NET FINANCIAL ASSETS - beginning of year	166,517	166,517	180,509
NET FINANCIAL ASSETS - end of year	166,517	151,389	166,517

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

BRIGHTON PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2022

	2022	2021
	\$	\$
		(Restated - note 8)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(7,716)	(17,720)
Items not involving cash		
Amortization of tangible capital assets	60,170	58,346
Change in non-cash assets and liabilities		
Accounts receivable	1,473	(622)
Prepaid expenses	(8,811)	(250)
Accounts payable	175	7,051
Net change in cash from operating activities	45,291	46,805
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(58,771)	(54,368)
INVESTING ACTIVITIES		
Disposal of investment	183,363	83,155
Purchase of investment	(180,781)	(83,363)
Net change in cash from investing activities	2,582	(208)
NET CHANGE IN CASH	(10,898)	(7,771)
CASH - beginning of year	97,510	105,281
CASH - end of year	86,612	97,510

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

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

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Library 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.

(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 Board's best information and judgment. Actual results could differ from these estimates.

(c) Tangible Capital Assets

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

Computer hardware and furniture	5-15 years
Books and periodicals	7 years

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

(d) Non-Financial Assets

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

(e) 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.

(f) Reserve Funds

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

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Inter-Entity Transactions

The Brighton Public Library Board is a Library of the Municipality of Brighton 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.

2. BUDGET FIGURES

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

3. INVESTMENTS

Investments consist of:

	2022	2021
	\$	\$
Guaranteed investment certificate bearing interest at 0.5%, maturing on December 9, 2022	-	33,030
Guaranteed investment certificate bearing interest at 0.5%, maturing on December 9, 2022	-	50,333
Guaranteed investment certificate bearing interest at 3.35%, maturing on December 11, 2023	30,196	-
Guaranteed investment certificate bearing interest at 2.5%, maturing on December 19, 2023	50,585	-
	80,781	83,363



CORPORATION OF THE BRIGHTON MUNICIPALITY OF

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

4. TANGIBLE CAPITAL ASSETS

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

	Books and Periodicals \$	Computer Hardware and Furniture \$	2022 Totals \$	2021 Totals \$
COST				
Balance, beginning of year restated (note 8)	353,546	198,833	552,379	613,236
Add: additions during the year	54,803	3,968	58,771	54,368
Less: disposals during the year	56,564	900	57,464	115,225
Balance, end of year	351,785	201,901	553,686	552,379
ACCUMULATED AMORTIZATION				
Balance, beginning of year restated (note 8)	199,433	66,904	266,337	323,216
Add: additions during the year	46,340	13,830	60,170	58,346
Less: disposals during the year	56,564	900	57,464	115,225
Balance, end of year	189,209	79,834	269,043	266,337
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	162,576	122,067	284,643	286,042

5. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022 \$	2021 (Restated - note 8) \$
Surplus		
Operating Surplus	77,495	83,812
Invested In Capital Assets		
Surplus attributable to tangible capital assets	284,643	286,042
Surplus	362,138	369,854
Reserve Fund		
Future capital	83,155	83,155
	445,293	453,009

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

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

6. INTER-ENTITY TRANSACTIONS

During the year, the Library entered into transactions with the Municipality of Brighton.

As part of the budgeting process, the Municipality approves a contribution to the Library which is identified on the Statement of Operations and Accumulated Surplus. The Municipality contributed \$602,285 (2021 - \$574,444) to help fund the operations of the Library in the year.

The Library paid \$32,273.99 (2021 - \$32,274) to the Municipality to cover employee health insurance.

In addition, the Municipality provides accounting and administrative services to the Board at no cost.

7. PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 2022 Annual Report disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with actuarial assets of \$123,628 million indicating an actuarial deficit of \$6,678 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Board does not recognize any share of the OMERS pension surplus or deficit.

The Board's required contributions to OMERS in 2022 were \$27,596 (2021 - \$24,936).

CORPORATION OF THE BRIGHTON MUNICIPALITY OF

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

8. RESTATEMENT FOR CHANGE IN ACCOUNTING POLICY

The Library has restated its 2021 financial statements to recognize amortization of tangible capital assets previously recorded in error.

The Library has previously capitalized subscriptions for e-books and other online resources. The Library has restated the financial statements to reflect these items as expenses.

Adjustments necessary to the 2021 financial statements as a result of the prior period adjustments are as follows:

Adjustment to 2021 Tangible Capital Assets

Net book value of tangible capital assets previously recorded at December 31, 2021	\$ 340,754
Expenses previously capitalized at December 31, 2021	(85,077)
Accumulated amortization recorded at December 31, 2021	<u>30,365</u>
Closing 2021 net book value of tangible capital assets as restated	<u>\$ 286,042</u>

Adjustment to Opening 2021 Accumulated Surplus

Accumulated surplus as previously stated	
Tangible capital assets	\$ 340,754
Surplus (deficit)	83,812
Reserves and reserve funds	<u>83,155</u>
	507,721
Change in net book value of tangible capital assets	<u>(54,712)</u>
Opening 2021 accumulated surplus, as restated	<u>\$ 453,009</u>

Adjustment to 2021 Expenses

2021 expenses as previously stated	\$ 632,355
Add: Assets expensed but previously capitalized	25,039
Less: Amortization expense previously recorded	<u>(12,153)</u>
2021 annual surplus as restated	<u>\$ 645,241</u>