

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED FINANCIAL STATEMENTS

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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 Debt | 3 |
| Statement of Cash Flows | 4 |
| Notes to the Financial Statements | 5 - 18 |
| Schedule of Tangible Capital Assets | 19 |
| Schedules of Segment Disclosure | 20 - 21 |
| TRUST FUND | |
| Independent Auditor's Report | 22 |
| Statement of Financial Position | 24 |
| Statement of Continuity | 24 |
| Notes to the Financial Statements | 25 |
| LOCAL BOARDS | |
| Brighton Downtown Business Improvement Area | 26 - 36 |
| Brighton Public Library Board | 37 - 49 |



Office of the CAO
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CORPORATION OF THE MUNICIPALITY OF BRIGHTON

For The Year Ended December 31, 2023

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Municipality of Brighton are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Municipality maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Municipality's assets are appropriately accounted for and adequately safeguarded.

The Municipality's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Municipality's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Municipality of Brighton. 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

CAO

February 3, 2025

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of the Corporation of the Municipality of Brighton and its local boards (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statements of operations and accumulated surplus, change in 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, 2023, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
February 12, 2025



CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2023

| | 2023 | 2022 |
|--|--------------------|-------------------|
| | \$ | \$ |
| FINANCIAL ASSETS | | |
| Cash | 12,422,630 | 13,840,299 |
| Accounts receivable (note 6) | 2,941,977 | 2,039,926 |
| Taxes receivable | 2,057,206 | 2,095,171 |
| Inventory for resale | 97,650 | 4,242 |
| Assets held for sale (note 7) | 335,798 | 334,362 |
| TOTAL FINANCIAL ASSETS | 17,855,261 | 18,314,000 |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 5,166,250 | 4,734,886 |
| Deferred revenue - obligatory reserve funds (note 9) | 5,519,412 | 5,333,570 |
| Deferred revenue - other (note 10) | 1,693,037 | 1,623,950 |
| Long term debt (note 12) | 6,319,841 | 6,952,604 |
| Asset retirement obligations (note 13) | 2,050,000 | - |
| TOTAL LIABILITIES | 20,748,540 | 18,645,010 |
| NET DEBT | (2,893,279) | (331,010) |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (note 8) | 92,498,821 | 82,397,589 |
| Inventories of materials and supplies | 50,529 | 153,881 |
| Prepaid expenses | 2,140 | 13,891 |
| TOTAL NON-FINANCIAL ASSETS | 92,551,490 | 82,565,361 |
| ACCUMULATED SURPLUS (note 16) | 89,658,211 | 82,234,351 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2023

| | Budget 2023 \$ (Unaudited) | Actual 2023 \$ | Actual 2022 \$ |
|---|-------------------------------------|----------------------|----------------------|
| REVENUES | | | |
| Property taxation | 12,081,483 | 12,196,861 | 10,980,791 |
| User charges | 5,650,243 | 5,826,106 | 5,423,667 |
| Government of Canada | 1,187,514 | 714,491 | 79,095 |
| Province of Ontario | 3,373,734 | 2,551,692 | 2,167,445 |
| Other municipalities | - | 25,107 | - |
| Penalties and interest on taxes | 270,000 | 315,315 | 283,299 |
| Investment income | 46,000 | 342,099 | 194,379 |
| Donations | 4,750 | 114,336 | 7,205 |
| Contributed tangible capital assets | - | 5,996,493 | 1,775,841 |
| Gain/(loss) on assets held for sale | 70,000 | (3,503) | (96,299) |
| Development charges earned (note 9) | 1,083,659 | 956,014 | 308,097 |
| Parkland fees earned (note 9) | - | 16,233 | - |
| Canada Community-Building Fund earned (note 9) | 278,204 | 278,204 | 354,215 |
| TOTAL REVENUES | 24,045,587 | 29,329,448 | 21,477,735 |
| EXPENSES | | | |
| General government | 2,094,017 | 2,336,743 | 2,155,776 |
| Protection services | 4,101,495 | 4,198,784 | 3,984,385 |
| Transportation services | 6,319,015 | 6,486,922 | 6,278,077 |
| Environmental services | 4,101,089 | 2,989,234 | 3,103,377 |
| Health services | 513,153 | 526,093 | 412,548 |
| Recreation and cultural services | 2,154,173 | 2,244,335 | 1,968,817 |
| Planning and development | 1,111,158 | 1,177,477 | 1,021,295 |
| TOTAL EXPENSES | 20,394,100 | 19,959,588 | 18,924,275 |
| ANNUAL SURPLUS | <u>3,651,487</u> | 9,369,860 | 2,553,460 |
| ACCUMULATED SURPLUS - beginning of year | | 82,234,351 | 79,680,891 |
| ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD (note 18) | | (1,946,000) | - |
| ACCUMULATED SURPLUS - beginning of year, as restated | | 80,288,351 | 79,680,891 |
| ACCUMULATED SURPLUS - end of year | | 89,658,211 | 82,234,351 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

For the Year Ended December 31, 2023

| | Budget 2023 \$ (Unaudited) | Actual 2023 \$ | Actual 2022 \$ |
|---|-------------------------------------|----------------------|----------------------|
| ANNUAL SURPLUS | 3,651,487 | 9,369,860 | 2,553,460 |
| Amortization of tangible capital assets | 3,860,818 | 4,480,425 | 3,860,818 |
| Purchase of tangible capital assets | (15,527,491) | (8,610,715) | (6,540,432) |
| Loss/(gain) on disposal of tangible capital assets | - | 115,350 | (1,444) |
| Proceeds on sale of tangible capital assets | - | 14,201 | 241,112 |
| Contributed tangible capital assets | - | (5,996,493) | (1,775,841) |
| Change in inventories of materials and supplies | - | 103,351 | 10,994 |
| Change in prepaid expenses | - | 11,752 | (13,441) |
| CHANGE IN NET FINANCIAL ASSETS/(NET DEBT) | (8,015,186) | (512,269) | (1,664,774) |
| NET FINANCIAL ASSETS/(NET DEBT) - beginning of year | (331,010) | (331,010) | 1,333,764 |
| ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD (note 18) | - | (2,050,000) | - |
| NET FINANCIAL ASSETS/(NET DEBT) - beginning of year, as restated | (331,010) | (2,381,010) | 1,333,764 |
| NET DEBT - end of year | (8,346,196) | (2,893,279) | (331,010) |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

| | 2023 | 2022 |
|---|--------------------|--------------------|
| | \$ | \$ |
| CASH PROVIDED BY (USED IN) | | |
| OPERATING ACTIVITIES | | |
| Annual surplus | 9,369,860 | 2,553,460 |
| Items not involving cash | | |
| Amortization of tangible capital assets | 4,480,425 | 3,860,818 |
| Loss/(gain) on disposal of tangible capital assets | 115,350 | (1,444) |
| Contributed capital assets | (5,996,493) | (1,775,841) |
| Change in non-cash assets and liabilities | | |
| Accounts receivable | (902,051) | 213,209 |
| Taxes receivable | 37,965 | (469,841) |
| Inventory for resale | (93,408) | 3,503 |
| Inventories of materials and supplies | 103,352 | 10,994 |
| Prepaid expenses | 11,751 | (13,441) |
| Accounts payable and accrued liabilities | 431,364 | 453,013 |
| Deferred revenue - obligatory reserve funds | 185,842 | 407,463 |
| Deferred revenue - other | 69,087 | 302,790 |
| Net change in cash from operating activities | 7,813,044 | 5,544,683 |
| CAPITAL ACTIVITIES | | |
| Purchase of tangible capital assets | (8,610,715) | (6,540,432) |
| Proceeds on disposal of tangible capital assets | 14,201 | 241,112 |
| Acquisition of assets held for sale | (1,436) | (213,842) |
| Disposal of assets held for sale | - | 120,037 |
| Net change in cash from capital activities | (8,597,950) | (6,393,125) |
| FINANCING ACTIVITIES | | |
| Debt principal repayments | (632,763) | (624,828) |
| NET CHANGE IN CASH | (1,417,669) | (1,473,270) |
| CASH - beginning of year | 13,840,299 | 15,313,569 |
| CASH - end of year | 12,422,630 | 13,840,299 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

The Municipality of Brighton 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 MUNICIPALITY OF BRIGHTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of Revenues and Expenses

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

Taxation

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

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

Government Funding

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

Other revenue

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

Investment income is recorded when earned.

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

(e) 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 MUNICIPALITY OF BRIGHTON

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

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.

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

(i) Asset Retirement Obligation

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

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

The liability for rehabilitation of gravel pits has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several of the buildings owned by the Municipality has also been recognized based on estimated future expenses for remediation or disposal.

The recognition of a liability for asbestos resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the accounting policies outlined in (c).

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Financial Instruments

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

| Financial Instrument | Measurement Method |
|--|--------------------|
| Cash | Amortized Cost |
| Accounts receivable | Amortized Cost |
| Taxes receivable | Amortized Cost |
| Inventory for resale | Amortized Cost |
| Assets held for sale | Amortized Cost |
| Accounts payable and accrued liabilities | Amortized Cost |
| Long term debt | Amortized Cost |

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

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

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

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

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

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

2. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$267,034 (2022 - \$259,734) 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.

3. CREDIT FACILITY AGREEMENT

The Municipality has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$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, 2023 there was no balance outstanding.

4. BUDGET FIGURES

The budget, approved by the Municipality, for 2023 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net 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.

5. COMPARATIVE FIGURES

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

6. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of:

| | 2023 | 2022 |
|-----------------------------------|------------------|------------------|
| | \$ | \$ |
| Government of Canada | 679,522 | 183,789 |
| Province of Ontario | 751,539 | 343,619 |
| County of Northumberland | 55,504 | 55,973 |
| School Boards | - | 828 |
| Water and sewer customer accounts | 944,257 | 812,118 |
| Other accounts receivable | 560,558 | 693,002 |
| Allowance for doubtful accounts | (49,403) | (49,403) |
| | <u>2,941,977</u> | <u>2,039,926</u> |

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

7. 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 recorded at cost, held for sale and presented as a financial asset on the Consolidated Statement of Financial Position.

8. TANGIBLE CAPITAL ASSETS

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

| | 2023 | 2022 |
|---------------------------|------------|------------|
| | \$ | \$ |
| General | | |
| Land | 4,361,433 | 4,097,030 |
| Land improvements | 2,654,799 | 2,242,084 |
| Buildings | 11,546,969 | 9,223,186 |
| Machinery and equipment | 2,428,271 | 1,851,335 |
| Vehicles | 2,670,863 | 2,414,896 |
| Infrastructure | | |
| Roads and bridges | 50,391,047 | 46,537,762 |
| Water and sewer | 14,476,827 | 12,372,028 |
| Assets under construction | 3,968,612 | 3,659,268 |
| | 92,498,821 | 82,397,589 |

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

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

Tangible capital assets allocated by segment are as follows:

| | 2023 | 2022 |
|----------------------------------|------------|------------|
| | \$ | \$ |
| General government | 1,828,146 | 1,940,405 |
| Protection services | 2,924,270 | 1,794,614 |
| Transportation services | 55,395,087 | 51,339,110 |
| Environmental services | 23,960,296 | 18,931,138 |
| Health services | 2,293,480 | 2,344,770 |
| Recreation and cultural services | 6,097,542 | 6,047,552 |
| | 92,498,821 | 82,397,589 |

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

9. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

| | 2023 | 2022 |
|--------------------------------|-----------|-----------|
| | \$ | \$ |
| Development charges | 4,076,533 | 4,061,655 |
| Canada Community-Building Fund | 1,393,705 | 1,213,702 |
| Parkland | 49,174 | 58,213 |
| | 5,519,412 | 5,333,570 |

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

| | 2023 | 2022 |
|--------------------------------|-----------|-----------|
| | \$ | \$ |
| Balance - beginning of year | 5,333,570 | 4,926,107 |
| Add amounts received: | | |
| Development charges | 744,829 | 574,685 |
| Canada Community-Building Fund | 391,966 | 375,634 |
| Parkland | 4,000 | 5,000 |
| Interest earned | 304,499 | 114,456 |
| | 1,445,294 | 1,069,775 |
| Less transfer to operations: | | |
| Development charges | 965,015 | 308,097 |
| Canada Community-Building Fund | 278,204 | 354,215 |
| Parkland | 16,233 | - |
| | 1,259,452 | 662,312 |
| Balance - end of year | 5,519,412 | 5,333,570 |

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

10. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

| | 2023 | 2022 |
|---------------------------------------|-----------|-----------|
| | \$ | \$ |
| Ontario Community Infrastructure Fund | 1,687,139 | 1,517,051 |
| Other | 5,898 | 106,899 |
| | 1,693,037 | 1,623,950 |

The continuity of deferred revenue - other is as follows:

| | 2023 | 2022 |
|---------------------------------------|-----------|-----------|
| | \$ | \$ |
| Balance - beginning of year | 1,623,950 | 1,321,160 |
| Add amounts received: | | |
| Ontario Community Infrastructure Fund | 686,072 | 807,143 |
| Other | - | 16,000 |
| Interest | 88,298 | 35,943 |
| | 774,370 | 859,086 |
| Less transfer to operations: | | |
| Ontario Community Infrastructure Fund | 604,283 | 556,296 |
| Other | 101,000 | - |
| | 705,283 | 556,296 |
| Balance - end of year | 1,693,037 | 1,623,950 |

11. PENSION AGREEMENTS

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

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

The Municipality's required contributions to OMERS in 2023 were \$430,279 (2022 - \$372,506).

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

12. LONG TERM DEBT

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

| | 2023 \$ | 2022 \$ |
|--|------------------|------------------|
| Interest-free long term loan maturing March 2026, repayable annually at \$50,000 per year | 134,456 | 184,456 |
| Long term bank loan maturing April 2027, repayable in blended semi-annual instalments of \$28,087, with interest at 2.69% | 186,463 | 236,590 |
| Long term bank loan maturing August 2030, repayable in blended monthly instalments of \$7,247, with interest at 2.72% | 529,777 | 601,280 |
| Long term bank loan maturing August 2030, repayable in blended monthly instalments of \$12,540 with interest at 2.72% | 916,622 | 1,040,424 |
| Long term bank loan maturing April 2032, repayable in blended semi-annual instalments of \$114,596 with interest at 3.13% | 1,698,937 | 1,870,905 |
| Long term bank loan maturing August 2034, repayable in blended semi-annual instalments of \$50,127, with interest at 2.65% | 951,190 | 1,024,772 |
| Long-term bank loan maturing December 2039, repayable in blended semi-annual instalments of \$74,176, with interest at 2.81% | 1,902,396 | 1,994,177 |
| | 6,319,841 | 6,952,604 |

- (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 \$188,663 (2022 - \$168,584).

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

| | Principal \$ | Interest \$ | Total \$ |
|---------------------------|------------------|------------------|------------------|
| 2024 | 650,619 | 170,798 | 821,417 |
| 2025 | 667,854 | 153,563 | 821,417 |
| 2026 | 670,042 | 135,831 | 805,873 |
| 2027 | 625,742 | 117,588 | 743,330 |
| 2028 | 615,286 | 99,957 | 715,243 |
| 2029 and subsequent years | 3,090,298 | 341,947 | 3,432,245 |
| | 6,319,841 | 1,019,684 | 7,339,525 |

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

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

13. ASSET RETIREMENT OBLIGATION

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

- (a) Asbestos obligation
 The Municipality owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, the Municipality recognized an obligation relating to the removal of the asbestos in these building as estimated at January 1, 2023.
- (b) Gravel pits
 The Municipality has several gravel pits that are currently not in use. The liability for the closure of these sites and the costs to return the property to it's original state has been recognized under PS 3280 – Asset Retirement Obligations. The costs were based on presently known obligations that will exist at the estimated year of closure of the sites.

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

| Asset Retirement Obligation | Asbestos removal \$ | Gravel pits \$ | Total \$ |
|--|---------------------------|-------------------|-------------|
| Opening balance - January 1, 2023 | - | - | - |
| Adjustment on adoption of the asset retirement obligation standard | 104,000 | 1,946,000 | 2,050,000 |
| Opening balance, as restated | 104,000 | 1,946,000 | 2,050,000 |
| Closing balance | 104,000 | 1,946,000 | 2,050,000 |

14. CONTINGENT LIABILITIES

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

15. COMMITMENT

The Municipality has entered into a commitment with Brighton YMCA to contribute \$310,000 over an eight year period, commencing in 2024.

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

16. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

| | 2023 | 2022 |
|---|-------------|-------------|
| | \$ | \$ |
| Surplus/(Deficit) | | |
| Municipality | 935,100 | 24,623 |
| Inventory held for resale | (96,910) | - |
| Brighton Downtown Business Improvement Area | 15,075 | 11,795 |
| Brighton Public Library Board | 94,939 | 77,495 |
| | 948,204 | 113,913 |
| Invested In Capital Assets | | |
| Tangible capital assets - net book value | 92,498,821 | 82,397,589 |
| Long term debt | (6,319,841) | (6,952,604) |
| Unfunded capital (see below) | (4,535,222) | (3,760,699) |
| Unfunded asset retirement obligation | (2,050,000) | - |
| | 79,593,758 | 71,684,286 |
| Surplus | 80,541,962 | 71,798,199 |
| Reserves | | |
| Reserves | 4,114,490 | 4,684,020 |
| Reserve Funds | | |
| Reserve funds | 5,001,759 | 5,752,132 |
| | 89,658,211 | 82,234,351 |

Unfunded capital is comprised of:

| | 2023 | 2022 |
|----------------------------------|-------------|-------------|
| | \$ | \$ |
| Protection services | (2,189,284) | (1,175,813) |
| Transportation services | (1,520,811) | (1,666,756) |
| Health services | (289,361) | (249,202) |
| Recreation and cultural services | (191,415) | (350,569) |
| Planning and development | (344,351) | (318,359) |
| | (4,535,222) | (3,760,699) |

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

17. EXPENSES BY OBJECT

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

| | Budget 2023 \$ (Unaudited) | Actual 2023 \$ | Actual 2022 \$ |
|--|-------------------------------------|----------------------|----------------------|
| Salaries and benefits | 7,986,514 | 7,317,447 | 6,712,409 |
| Interest charges | 119,001 | 188,663 | 168,584 |
| Materials | 4,748,990 | 3,948,859 | 4,413,632 |
| Contracted services | 3,047,062 | 3,156,462 | 3,282,323 |
| Rents and financial | 2,700 | 10,632 | 6,076 |
| External transfers | 624,015 | 741,750 | 481,877 |
| Amortization | 3,860,818 | 4,480,425 | 3,860,818 |
| Loss (gain) on disposal of tangible capital assets | 5,000 | 115,350 | (1,444) |
| | 20,394,100 | 19,959,588 | 18,924,275 |

18. CHANGES IN ACCOUNTING POLICIES

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

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

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

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

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Municipality's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments. The adoption of this standard did not have an impact on the Municipality's consolidated financial statements.

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

18. CHANGES IN ACCOUNTING POLICIES, continued

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability.

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

Asbestos Obligation

- An increase of \$104,000 to the buildings tangible capital asset account and a corresponding increase to the opening asset retirement obligation liability.

Other Obligation

- An increase of \$1,946,000 to asset retirement obligation liability account for gravel pits recorded representing the estimate for the obligation as of January 1, 2023

19. FINANCIAL INSTRUMENTS

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

(a) Interest rate risk

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

(b) Credit risk

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

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

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

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

20. SEGMENTED INFORMATION

The Municipality of Brighton 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 MUNICIPALITY OF BRIGHTON

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2023

| | 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 | 4,097,030 | 4,376,439 | 15,648,264 | 4,908,518 | 5,357,482 | 81,264,459 | 23,296,111 | 3,659,268 | 142,607,571 |
| Add: additions during the year | 264,403 | 607,401 | 2,713,431 | 1,036,886 | 691,784 | 6,241,404 | 2,742,555 | 309,344 | 14,607,208 |
| Less: disposals during the year | - | 25,390 | 111,773 | 44,543 | 51,251 | 413,684 | 102,439 | - | 749,080 |
| Asset retirement obligation | - | - | 104,000 | - | - | - | - | - | 104,000 |
| Balance, end of year | 4,361,433 | 4,958,450 | 18,353,922 | 5,900,861 | 5,998,015 | 87,092,179 | 25,936,227 | 3,968,612 | 156,569,699 |
| ACCUMULATED AMORTIZATION | | | | | | | | | |
| Balance, beginning of year | - | 2,134,355 | 6,425,078 | 3,057,183 | 2,942,586 | 34,726,697 | 10,924,083 | - | 60,209,982 |
| Add: additions during the year | - | 182,499 | 474,487 | 459,950 | 435,817 | 2,310,183 | 617,489 | - | 4,480,425 |
| Less: disposals during the year | - | 13,203 | 92,612 | 44,543 | 51,251 | 335,748 | 82,172 | - | 619,529 |
| Balance, end of year | - | 2,303,651 | 6,806,953 | 3,472,590 | 3,327,152 | 36,701,132 | 11,459,400 | - | 64,070,878 |
| NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | 4,361,433 | 2,654,799 | 11,546,969 | 2,428,271 | 2,670,863 | 50,391,047 | 14,476,827 | 3,968,612 | 92,498,821 |

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2023

| | General Government \$ | Protection Services \$ | Transportation Services \$ | Environmental Services \$ | Health Services \$ | Recreation and Cultural Services \$ | Planning and Development \$ | Consolidated \$ |
|---|-----------------------------|------------------------------|----------------------------------|---------------------------------|--------------------------|--|-----------------------------------|--------------------|
| Revenues | | | | | | | | |
| Property taxation | 1,548,072 | 3,111,847 | 4,292,900 | - | 205,257 | 1,891,688 | 1,147,097 | 12,196,861 |
| User charges | 72,137 | 568,713 | 194,802 | 4,283,933 | 270,876 | 302,749 | 132,896 | 5,826,106 |
| Government transfers - operating | 1,166,907 | 25,920 | - | - | - | 178,956 | - | 1,371,783 |
| Government transfers - capital | - | - | 604,283 | 1,281,917 | - | 8,200 | - | 1,894,400 |
| Other municipalities | - | - | 25,107 | - | - | - | - | 25,107 |
| Penalties and interest on taxes | 315,315 | - | - | - | - | - | - | 315,315 |
| Investment income | 338,181 | - | - | - | - | 3,918 | - | 342,099 |
| Donations | - | - | - | - | - | 114,336 | - | 114,336 |
| Contributed tangible capital assets | - | - | 4,214,232 | 1,761,671 | - | 20,590 | - | 5,996,493 |
| Gain/(loss) on assets held for sale | - | - | - | - | - | - | (3,503) | (3,503) |
| Development charges earned | 17,068 | 37,649 | 564,287 | 65,719 | 22,121 | 238,972 | 10,198 | 956,014 |
| Parkland fees earned | - | - | - | - | - | 16,233 | - | 16,233 |
| Canada Community-Building Fund earned | - | - | 278,204 | - | - | - | - | 278,204 |
| Total revenues | 3,457,680 | 3,744,129 | 10,173,815 | 7,393,240 | 498,254 | 2,775,642 | 1,286,688 | 29,329,448 |
| Expenses | | | | | | | | |
| Salaries and benefits | 1,480,620 | 1,261,042 | 1,856,793 | 869,039 | 13,739 | 1,193,420 | 642,794 | 7,317,447 |
| Interest charges | 29,436 | - | 76,778 | 39,843 | 27,135 | 15,471 | - | 188,663 |
| Materials | 602,585 | 373,279 | 1,489,666 | 569,693 | 164,599 | 534,252 | 214,785 | 3,948,859 |
| Contracted services | 93,208 | 1,993,276 | 335,952 | 574,363 | 20,943 | 47,610 | 91,110 | 3,156,462 |
| Rents and financial | 5,335 | - | - | 5,250 | - | 47 | - | 10,632 |
| External transfers | - | 187,807 | 53,930 | - | 248,388 | 37,837 | 213,788 | 741,750 |
| Amortization | 125,559 | 376,480 | 2,675,867 | 848,569 | 51,289 | 402,661 | - | 4,480,425 |
| Loss (gain) on disposal of tangible capital assets | - | (8,100) | 77,936 | 22,477 | - | 23,037 | - | 115,350 |
| Internal transfers | - | 15,000 | (80,000) | 60,000 | - | (10,000) | 15,000 | - |
| Total expenses | 2,336,743 | 4,198,784 | 6,486,922 | 2,989,234 | 526,093 | 2,244,335 | 1,177,477 | 19,959,588 |
| Net surplus/(deficit) | 1,120,937 | (454,655) | 3,686,893 | 4,404,006 | (27,839) | 531,307 | 109,211 | 9,369,860 |

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

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 |
| Gain/(loss) on assets held for sale | - | - | - | - | - | - | (96,299) | (96,299) |
| Development charges earned | 17,068 | 17,783 | - | 65,719 | 22,121 | 159,569 | 25,837 | 308,097 |
| Canada Community-Building Fund earned | - | - | 354,215 | - | - | - | - | 354,215 |
| Total revenues | 1,544,712 | 3,690,520 | 7,489,046 | 4,738,397 | 710,830 | 2,617,060 | 687,170 | 21,477,735 |
| 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 |
| Loss (gain) on disposal of tangible capital assets | - | (14,045) | 3,382 | 888 | - | 8,331 | - | (1,444) |
| Internal transfers | - | 13,000 | (75,000) | 57,000 | - | (10,000) | 15,000 | - |
| Total expenses | 2,155,776 | 3,984,385 | 6,278,077 | 3,103,377 | 412,548 | 1,968,817 | 1,021,295 | 18,924,275 |
| Net surplus/(deficit) | (611,064) | (293,865) | 1,210,969 | 1,635,020 | 298,282 | 648,243 | (334,125) | 2,553,460 |

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

We have audited the financial statements of the Trust Fund of the Corporation of the Municipality of Brighton (the Trust Fund), which comprise the statement of financial position as at December 31, 2023, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2023, 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
February 12, 2025

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2023

| | 2023 | 2022 |
|-------------------------------------|----------------|----------------|
| | \$ | \$ |
| FINANCIAL ASSETS | | |
| Cash | 273,344 | 258,488 |
| Due from Municipality | - | 1,246 |
| | <u>273,344</u> | <u>259,734</u> |
| LIABILITIES AND FUND BALANCE | | |
| LIABILITIES | | |
| Due to Municipality | 6,310 | - |
| | <u>267,034</u> | <u>259,734</u> |
| | <u>273,344</u> | <u>259,734</u> |

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

| | 2023 | 2022 |
|------------------------------------|----------------|----------------|
| | \$ | \$ |
| BALANCE - beginning of year | 259,734 | 253,234 |
| RECEIPTS | | |
| Sale of plots and niches | 5,310 | 6,450 |
| Interest | 13,600 | 5,254 |
| Scattering grounds | 90 | 50 |
| Monument care | 1,900 | - |
| | <u>20,900</u> | <u>11,754</u> |
| EXPENSES | | |
| Transfer to Cemetery | 13,600 | 5,254 |
| BALANCE - end of year | <u>267,034</u> | <u>259,734</u> |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

TRUST FUND NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Use of Estimates

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

**CORPORATION OF THE MUNICIPALITY OF
BRIGHTON**

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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

We have audited the 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, 2023, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Business Improvement Area as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for 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 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 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.

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 12, 2025

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA STATEMENT OF FINANCIAL POSITION At December 31, 2023

| | 2023 | 2022 |
|-------------------------------------|--------|--------|
| | \$ | \$ |
| FINANCIAL ASSETS | | |
| Cash | 15,895 | 10,897 |
| Accounts receivable | 4,152 | 5,565 |
| Due from Municipality (note 4) | 5,000 | - |
| TOTAL FINANCIAL ASSETS | 25,047 | 16,462 |
| LIABILITIES | | |
| Accounts payable | 9,972 | 4,667 |
| NET FINANCIAL ASSETS | 15,075 | 11,795 |
| ACCUMULATED SURPLUS (note 2) | 15,075 | 11,795 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2023

| | Budget 2023 \$ (Unaudited) | Actual 2023 \$ | Actual 2022 \$ |
|--|-------------------------------------|----------------------|----------------------|
| REVENUES | | | |
| Municipal funding | 47,800 | 52,800 | 40,650 |
| Donations | - | - | 2,500 |
| TOTAL REVENUES | 47,800 | 52,800 | 43,150 |
| EXPENSES | | | |
| Administration | 8,150 | 5,592 | 6,427 |
| Advertising and promotion | 9,550 | 12,258 | 11,572 |
| Area development | 14,000 | 14,176 | 12,576 |
| Professional fees | 3,200 | 1,806 | 1,781 |
| Special events | 12,900 | 15,688 | 16,236 |
| TOTAL EXPENSES | 47,800 | 49,520 | 48,592 |
| ANNUAL SURPLUS/(DEFICIT) | - | 3,280 | (5,442) |
| ACCUMULATED SURPLUS - beginning of year | | 11,795 | 17,237 |
| ACCUMULATED SURPLUS - end of year | | 15,075 | 11,795 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2023

| | Budget 2023 \$ (Unaudited) | Actual 2023 \$ | Actual 2022 \$ |
|---|-------------------------------------|----------------------|----------------------|
| ANNUAL SURPLUS/(DEFICIT) | - | 3,280 | (5,442) |
| NET FINANCIAL ASSETS - beginning of year | 11,795 | 11,795 | 17,237 |
| NET FINANCIAL ASSETS - end of year | 11,795 | 15,075 | 11,795 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

| | 2023 | 2022 |
|---|---------|---------|
| | \$ | \$ |
| CASH PROVIDED BY (USED IN) | | |
| OPERATING ACTIVITIES | | |
| Annual surplus/(deficit) | 3,280 | (5,442) |
| Change in non-cash assets and liabilities | | |
| Accounts receivable | 1,413 | (2,771) |
| Due from Municipality | (5,000) | - |
| Accounts payable | 5,305 | (1,079) |
| NET CHANGE IN CASH | 4,998 | (9,292) |
| CASH - beginning of year | 10,897 | 20,189 |
| CASH - end of year | 15,895 | 10,897 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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) 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) Financial Instruments

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

| Financial Instrument | Measurement Method |
|-----------------------|--------------------|
| Cash | Amortized Cost |
| Accounts receivable | Amortized Cost |
| Due from Municipality | Amortized Cost |
| Accounts payable | Amortized Cost |

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

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

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

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

(d) 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.

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

**BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2023**

2. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

| | 2023 | 2022 |
|----------------|---------------|---------------|
| | \$ | \$ |
| Surplus | | |
| Operations | 15,075 | 11,795 |
| | 15,075 | 11,795 |

3. BUDGET FIGURES

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

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.

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

5. FINANCIAL INSTRUMENTS

The Business Improvement Area is exposed to the following risks in respect of certain of the financial instruments held:

- (a) Credit risk

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

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

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



CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

6. CHANGES IN ACCOUNTING POLICIES

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

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

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

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

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Board's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments. The adoption of this standard did not have an impact on the Board's financial statements.

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

**CORPORATION OF THE MUNICIPALITY OF
BRIGHTON**

BRIGHTON PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2023

INDEPENDENT AUDITOR'S REPORT**To the Members of the Brighton Public Library Board, the
Members of Council, Inhabitants and Ratepayers of the
Municipality of Brighton****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 Municipality of Brighton (the Library), which comprise the statement of financial position as at December 31, 2023, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many Public Library Boards, the Library derives revenue from non-resident fees, photocopier/printing fees, card replacement fees, lost or damaged item 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) and cash flows from operations for the years ended December 31, 2023 and 2022, and assets and accumulated surplus as at December 31, 2023 and 2022. Our opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this scope limitation.

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

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 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
June 26, 2024

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2023

| | 2023 \$ | 2022 \$ |
|-------------------------------------|----------------|----------------|
| FINANCIAL ASSETS | | |
| Cash | 116,658 | 86,612 |
| Investments (note 3) | 83,035 | 80,781 |
| Accounts receivable | 10,093 | 9,052 |
| TOTAL FINANCIAL ASSETS | 209,786 | 176,445 |
| LIABILITIES | | |
| Accounts payable | 22,614 | 25,056 |
| NET FINANCIAL ASSETS | 187,172 | 151,389 |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (note 5) | 304,625 | 284,643 |
| Prepaid expenses | 2,140 | 9,261 |
| TOTAL NON-FINANCIAL ASSETS | 306,765 | 293,904 |
| ACCUMULATED SURPLUS (note 8) | 493,937 | 445,293 |

Approved on behalf of the Library:

 Director

 Director

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2023

| | Budget 2023 \$ (Unaudited) | Actual 2023 \$ | Actual 2022 \$ |
|--|-------------------------------------|----------------------|----------------------|
| REVENUES | | | |
| Municipal Contributions (note 6) | 634,635 | 654,635 | 602,285 |
| Province of Ontario | 29,639 | 29,639 | 29,639 |
| Government of Canada | 1,860 | - | 1,800 |
| Other grants | 4,350 | 4,359 | 4,197 |
| Investment income | 1,000 | 3,918 | 859 |
| Donations and fundraising | 4,000 | 12,137 | 3,710 |
| Fines and fees | 4,100 | 5,228 | 3,865 |
| Book sales | 3,500 | 3,441 | 2,667 |
| Miscellaneous | 100 | 720 | 4,478 |
| Contributed capital | - | 20,590 | - |
| Brighton Digital Archives - municipal contributions (note 6) | 13,700 | 17,466 | - |
| Brighton Digital Archives - donations and fundraising | - | 6,835 | - |
| TOTAL REVENUES | 696,884 | 758,968 | 653,500 |
| EXPENSES | | | |
| Salaries and benefits | 454,084 | 446,270 | 438,325 |
| Amortization | 60,170 | 64,060 | 60,170 |
| Supplies | 24,102 | 40,924 | 20,522 |
| Professional fees | 4,344 | 6,065 | 4,908 |
| Travel | 2,409 | 2,139 | 1,609 |
| Technology | 26,290 | 22,593 | 21,196 |
| Communication | 3,542 | 3,766 | 3,878 |
| Outreach programs | 4,311 | 4,434 | 4,389 |
| Professional development | 4,773 | 5,307 | 4,329 |
| Promotion and fundraising | 1,628 | 1,683 | 1,890 |
| Space and services - paid to township | 100,000 | 100,000 | 100,000 |
| Brighton Digital Archives | 13,140 | 13,083 | - |
| TOTAL EXPENSES | 698,793 | 710,324 | 661,216 |
| ANNUAL SURPLUS/(DEFICIT) | <u>(1,909)</u> | 48,644 | (7,716) |
| ACCUMULATED SURPLUS - beginning of year | | 445,293 | 453,009 |
| ACCUMULATED SURPLUS - end of year | | 493,937 | 445,293 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2023

| | Budget 2023 \$ (Unaudited) | Actual 2023 \$ | Actual 2022 \$ |
|--|-------------------------------------|----------------------|----------------------|
| ANNUAL SURPLUS/(DEFICIT) | (1,909) | 48,644 | (7,716) |
| Amortization of tangible capital assets | 60,170 | 64,060 | 60,170 |
| Acquisition of tangible capital assets | (61,261) | (63,452) | (58,771) |
| Contributed tangible capital assets | - | (20,590) | - |
| Change in prepaid expenses | - | 7,121 | (8,811) |
| INCREASE/(DECREASE) IN NET FINANCIAL ASSETS | (3,000) | 35,783 | (15,128) |
| NET FINANCIAL ASSETS - beginning of year | 151,389 | 151,389 | 166,517 |
| NET FINANCIAL ASSETS - end of year | 148,389 | 187,172 | 151,389 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2023

| | 2023 | 2022 |
|---|----------------|-----------------|
| | \$ | \$ |
| CASH PROVIDED BY (USED IN) | | |
| OPERATING ACTIVITIES | | |
| Annual surplus/(deficit) | 48,644 | (7,716) |
| Items not involving cash | | |
| Amortization of tangible capital assets | 64,060 | 60,170 |
| Contributed tangible capital assets | (20,590) | - |
| Change in non-cash assets and liabilities | | |
| Accounts receivable | (1,041) | 1,473 |
| Prepaid expenses | 7,121 | (8,811) |
| Accounts payable | (2,442) | 175 |
| Net change in cash from operating activities | 95,752 | 45,291 |
| CAPITAL ACTIVITIES | | |
| Purchase of tangible capital assets | (63,452) | (58,771) |
| INVESTING ACTIVITIES | | |
| Disposal of investment | 180,781 | 183,363 |
| Purchase of investment | (183,035) | (180,781) |
| Net change in cash from investing activities | (2,254) | 2,582 |
| NET CHANGE IN CASH | 30,046 | (10,898) |
| CASH - beginning of year | 86,612 | 97,510 |
| CASH - end of year | 116,658 | 86,612 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

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

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.

Fines and fees, donations and fundraising are recognized as revenue in the year amounts are received or become receivable if collection is reasonably assured. Brighton Digital Archives revenue is recognized in the year it relates to.

(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 |
| Brighton digital archives | 5 years |

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

(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.

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Financial instruments

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

| Financial Instrument | Measurement Method |
|----------------------|--------------------|
| Cash | Amortized Cost |
| Investments | Amortized Cost |
| Accounts receivable | Amortized Cost |
| Accounts payable | Amortized Cost |

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

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

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

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

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

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) 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.

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

3. INVESTMENTS

Investments consist of:

| | 2023 | 2022 |
|--|---------------|---------------|
| | \$ | \$ |
| Guaranteed investment certificate bearing interest at 4.5%, maturing on December 11, 2024 | 51,822 | - |
| Guaranteed investment certificate bearing interest at 4.5%, maturing on December 11, 2024 | 31,213 | - |
| 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 |
| | 83,035 | 80,781 |



CORPORATION OF THE MUNICIPALITY OF BRIGHTON

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

4. FINANCIAL INSTRUMENTS

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

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

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise.

(b) Credit risk

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

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

The Library is not exposed to any currency, market, or liquidity risks.

5. TANGIBLE CAPITAL ASSETS

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

| | Books and Periodicals \$ | Computer Hardware and Furniture \$ | BDA Computer Hardware and Furniture \$ | 2023 Totals \$ | 2022 Totals \$ |
|--|--------------------------------|---|--|----------------------|----------------------|
| COST | | | | | |
| Balance, beginning of year | 351,785 | 201,901 | - | 553,686 | 552,379 |
| Add: additions during the year | 58,194 | 3,482 | 22,366 | 84,042 | 58,771 |
| Less: disposals during the year | 44,543 | - | - | 44,543 | 57,464 |
| Balance, end of year | 365,436 | 205,383 | 22,366 | 593,185 | 553,686 |
| ACCUMULATED AMORTIZATION | | | | | |
| Balance, beginning of year | 189,209 | 79,834 | - | 269,043 | 266,337 |
| Add: additions during the year | 48,049 | 13,776 | 2,235 | 64,060 | 60,170 |
| Less: disposals during the year | 44,543 | - | - | 44,543 | 57,464 |
| Balance, end of year | 192,715 | 93,610 | 2,235 | 288,560 | 269,043 |
| NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | 172,721 | 111,773 | 20,131 | 304,625 | 284,643 |

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

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

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 and the Brighton digital archives which is identified on the Statement of Operations and Accumulated Surplus. The Municipality contributed \$654,635 (2022 - \$602,285) to help fund the operations of the Library in the year and \$15,000 (2022 - \$Nil) to help fund the operations of the Brighton digital archives.

The Library paid \$32,999 (2022 - \$32,274) to the Municipality to cover employee health insurance.

The Library paid \$4,682 (2022 - \$Nil) to the Municipality to cover information technology services.

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

The Board's required contributions to OMERS in 2023 were \$31,582 (2022 - \$27,596).

8. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

| | 2023 | 2022 |
|---|---------|---------|
| | \$ | \$ |
| Surplus | | |
| Operating Surplus | 94,939 | 77,495 |
| Invested In Capital Assets | | |
| Net book value of tangible capital assets | 304,625 | 284,643 |
| Surplus | 399,564 | 362,138 |
| Reserve | | |
| Brighton Digital Archives | 11,218 | - |
| Reserve Fund | | |
| Future capital | 83,155 | 83,155 |
| | 493,937 | 445,293 |

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

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

9. CHANGE IN ACCOUNTING POLICY

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

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

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

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

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Library's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments. The adoption of this standard did not have an impact on the Library's financial statements.

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

10. COMPARATIVE FIGURES

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