

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**

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CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

For The Year Ended December 31, 2022

MANAGEMENT REPORT

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

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

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

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

Council reviews and approves the Municipality's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Municipality of Centre Hastings. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

The consolidated financial statements have been audited by Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the Municipality. Baker Tilly KDN LLP has full and free access to Council.

Mayor

Director of Finance/Deputy CAO

June 21, 2023

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

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

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 28, 2023



CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash	5,423,285	4,935,829
Investments (note 4)	929,496	913,772
Accounts receivable	1,243,671	1,139,399
Taxes receivable	658,913	609,282
TOTAL FINANCIAL ASSETS	8,255,365	7,598,282
LIABILITIES		
Accounts payable and accrued liabilities	1,220,277	1,215,136
Deferred revenue - obligatory reserve funds (note 7)	924,989	849,355
Deferred revenue - other (note 8)	425,574	208,027
Long term debt (note 9)	348,297	476,833
Landfill closure and post-closure liability (note 6)	353,200	743,500
TOTAL LIABILITIES	3,272,337	3,492,851
NET FINANCIAL ASSETS	4,983,028	4,105,431
NON-FINANCIAL ASSETS		
Tangible capital assets (note 10)	26,682,705	27,018,268
Prepaid expenses	150,638	34,818
TOTAL NON-FINANCIAL ASSETS	26,833,343	27,053,086
ACCUMULATED SURPLUS (note 11)	31,816,371	31,158,517

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Property taxation	5,414,017	5,560,847	5,310,376
User charges	1,506,811	1,707,805	1,615,654
Government of Canada	234,191	162,736	417,087
Province of Ontario	1,747,598	1,762,212	1,970,572
Other municipalities	182,111	194,799	227,704
Penalties and interest on taxes	126,000	106,191	121,576
Investment income	46,775	141,014	49,837
Donations	16,100	32,273	55,436
Other	78,855	81,856	110,104
Development charges earned	45,000	28,052	78,669
Parkland fees earned	11,000	12,588	11,317
Canada Community Building Fund earned	395,000	389,409	346,464
TOTAL REVENUES	9,803,458	10,179,782	10,314,796
EXPENSES			
General government	1,114,642	1,114,334	865,573
Protection services	1,624,457	1,636,588	1,591,831
Transportation services	3,322,500	3,448,625	3,003,139
Environmental services	1,819,873	1,568,620	2,080,786
Health services	355,409	372,954	325,993
Recreation and cultural services	1,282,341	1,233,519	1,113,264
Planning and development	220,120	147,288	118,097
TOTAL EXPENSES	9,739,342	9,521,928	9,098,683
ANNUAL SURPLUS	<u>64,116</u>	657,854	1,216,113
ACCUMULATED SURPLUS - beginning of year		31,158,517	29,942,404
ACCUMULATED SURPLUS - end of year		31,816,371	31,158,517

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS	64,116	657,854	1,216,113
Amortization of tangible capital assets	1,845,926	1,896,552	1,845,927
Purchase of tangible capital assets	(1,705,254)	(1,614,376)	(2,139,911)
(Gain) loss on disposal of tangible capital assets	-	53,387	(79,349)
Proceeds on sale of tangible capital assets	-	-	147,913
Change in prepaid expenses	-	(115,820)	(34,818)
INCREASE IN NET FINANCIAL ASSETS	204,788	877,597	955,875
NET FINANCIAL ASSETS - beginning of year	4,105,431	4,105,431	3,149,556
NET FINANCIAL ASSETS - end of year	4,310,219	4,983,028	4,105,431

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	657,854	1,216,113
Items not involving cash		
Amortization of tangible capital assets	1,896,552	1,845,927
Loss/(gain) on disposal of tangible capital assets	53,387	(79,349)
Change in landfill closure and post-closure liability	(390,300)	471,400
Change in non-cash assets and liabilities		
Accounts receivable	(104,272)	(792,643)
Taxes receivable	(49,631)	206,991
Prepaid expenses	(115,820)	(34,818)
Accounts payable and accrued liabilities	5,141	332,063
Deferred revenue - obligatory reserve funds	75,634	366,667
Deferred revenue - other	217,547	62,935
Net change in cash from operating activities	2,246,092	3,595,286
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,614,376)	(2,139,911)
Proceeds on disposal of tangible capital assets	-	147,913
Net change in cash from capital activities	(1,614,376)	(1,991,998)
INVESTING ACTIVITIES		
Purchase of investments	(137,620)	(116,640)
Proceeds on disposal of investments	121,896	97,971
Net change in cash from investing activities	(15,724)	(18,669)
FINANCING ACTIVITIES		
Debt principal repayments	(128,536)	(189,674)
NET CHANGE IN CASH	487,456	1,394,945
CASH - beginning of year	4,935,829	3,540,884
CASH - end of year	5,423,285	4,935,829

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

The Municipality of Centre Hastings is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and which are owned and controlled by the Municipality. These consolidated financial statements include:

- Centre Hastings Public Library Board

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

(b) Tangible capital assets

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

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

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

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

(c) Non-financial assets

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

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of revenues and expenses

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

Taxation

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

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

Government funding

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

Other revenue

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

Investment income is recorded when earned.

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

(e) Trust funds

Trust funds and their related operations administered by the Municipality are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(f) Reserves

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

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Deferred revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(h) Use of estimates

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Municipality's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements or changes in such estimates in future periods could be significant. The Municipality's significant estimates include:

- The amounts recorded for landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs; and
- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values.

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2022, requisitions were made by the County of Hastings and School Boards requiring the Municipality to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxes and payments in lieu requisitioned and remitted	1,029,396	1,609,260

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

3. CREDIT FACILITY AGREEMENT

The Municipality has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$900,000 via an operating line of credit. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2022-01. At December 31, 2022 there was no balance outstanding (2021 - \$Nil).



CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

4. INVESTMENTS

Investments, recorded at cost, consist of the following:

	Market Value \$	Cost 2022 \$	Cost 2021 \$
BMO Nesbitt Burns			
Cash	9,849	9,849	17,977
Fixed income bonds with interest rates between 2.00% and 3.75%; maturing between 2023 to 2032	837,718	919,647	895,795
	847,567	929,496	913,772

5. PENSION AGREEMENTS

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

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

The Municipality's required contributions to OMERS in 2022 were \$141,419 (2021 - \$141,563).

6. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The estimated liability for landfill closure and post-closure costs for the one site the Municipality operates is \$353,200 (2021 - \$743,500). The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The Municipality has a landfill closure reserve of \$350,608 (2021 - \$350,608) and the remaining landfill closure and post-closure liability, if any, will be funded from taxation. There are no specific assets designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining life of the landfill. The remaining capacity of the landfill site is estimated at 132,160 m³ (2021 - 133,218 m³) which is 41.4% (2021 - 41.8%) of the site's total capacity. The total discounted future cash flows for closure and post-closure cost is estimated at \$602,991 (2021 - \$1,276,652) as at December 31, 2022 using a discount rate of 4.73% and an inflation rate of 3%. The landfill is expected to reach its capacity in 2062 based upon the average recent fill rate.

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

7. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

	2022	2021
	\$	\$
Parkland fees	68,094	62,681
Development charges	510,778	356,405
Canada Community Building Fund	346,117	430,269
	924,989	849,355

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

	2022	2021
	\$	\$
Balance - beginning of year	849,355	482,688
Add amounts received:		
Development charges	171,760	185,759
Parkland fees	18,000	25,500
Canada Community Building Fund	296,233	589,853
Interest	19,690	2,005
	505,683	803,117
Less transfer to operations:		
Development charges earned	28,052	78,669
Parkland fees earned	12,588	11,317
Canada Community Building Fund earned	389,409	346,464
	430,049	436,450
Balance - end of year	924,989	849,355

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

8. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2022	2021
	\$	\$
Ontario Cannabis Legalization Implementation Fund	20,000	20,000
Safe Restart	68,707	87,349
Cenotaph accessibility ramp grant	78,620	100,000
CFDC	30,000	-
Other	1,405	678
OCIF	226,842	-
	425,574	208,027

The continuity of deferred revenue - other is as follows:

	2022	2021
	\$	\$
Balance - beginning of year	208,027	145,092
Add amounts received:		
Ontario Cannabis Legalization Implementation Fund	-	5,000
Safe Restart	-	12,096
Cenotaph accessibility ramp grant	-	100,000
Other	1,405	678
OCIF	395,771	-
CFDC	30,000	-
	427,176	117,774
Less transfer to operations:		
Safe Restart	18,641	50,924
Cenotaph accessibility ramp grant	21,380	-
Other	679	3,915
OCIF	168,929	-
	209,629	54,839
Balance - end of year	425,574	208,027

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

9. LONG TERM DEBT

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

	2022	2021
	\$	\$

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

348,297	476,833
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- (b) The long term debt in (a) issued in the name of the Municipality has been approved by by-law. The annual principal and interest payments required to service this liability is within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

- (c) Interest paid during the year on long term debt amounted to \$20,607 (2021 - \$26,988).

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

	Principal	Interest	Total
	\$	\$	\$
2023	134,556	14,586	149,142
2024	140,858	8,284	149,142
2025	72,883	1,688	74,571
	348,297	24,558	372,855

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

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

10. TANGIBLE CAPITAL ASSETS

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

	2022	2021
	\$	\$
General		
Land and land improvements	1,131,217	1,184,997
Buildings and building improvements	6,294,127	6,459,469
Machinery and equipment	999,428	1,093,585
Vehicles	784,474	869,250
Infrastructure		
Roads and bridges	12,743,809	11,764,362
Water and sewer	4,688,792	4,795,240
	26,641,847	26,166,903
Assets under construction	40,858	851,365
	26,682,705	27,018,268

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

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

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

	2022	2021
	\$	\$
General government	592,584	613,880
Protection services	571,479	679,047
Transportation services	13,430,556	13,245,915
Environmental services	5,886,821	6,062,686
Health services	3,006,567	3,086,450
Recreation and cultural services	3,022,414	3,157,069
Planning and development	172,284	173,221
	26,682,705	27,018,268

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

11. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Surplus/(Deficit)		
Unfunded landfill closure and post-closure costs	(353,200)	(743,500)
Landfill cover material	(254,790)	-
Centre Hastings Public Library Board	61,162	50,052
	(546,828)	(693,448)
Invested In Capital Assets		
Tangible capital assets - net book value	26,682,705	27,018,268
Long term debt	(348,297)	(476,833)
Unfunded capital - see part (b) below	(1,871,810)	(2,106,216)
	24,462,598	24,435,219
Surplus	23,915,770	23,741,771
Reserves		
Working fund	1,654,257	1,421,788
General capital	724,955	787,469
Emergency measures	45,218	34,974
Fire capital	468,428	328,478
Roads capital	851,499	865,318
OMERS - past service	4,512	4,512
Recreation	65,663	50,533
Landfill	362,239	362,239
Arena	210,565	185,771
Whytock recreation	316,904	290,151
Septage	1,145,000	1,145,000
Waste disposal equipment	45,319	45,319
Nesbitt Burns	929,496	913,772
Hydro sale	49,251	49,251
Tax write-off	171,400	171,400
Cemeteries	49,465	41,137
Water and sewer	725,884	645,115
Tri Area Medical Centre	49,666	59,519
Election	5,534	15,000
Economic development	25,346	-
Total Reserves	7,900,601	7,416,746
	31,816,371	31,158,517

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

11. ACCUMULATED SURPLUS, continued

(b) Unfunded capital consists of the following:

	2022	2021
	\$	\$
Whytock Park bridge	(119,814)	(142,814)
Tri Area Medical Centre	(274,527)	(349,242)
Weed harvesting	(39,000)	(49,000)
Fire department truck chassis	(30,988)	(50,988)
Splash pad	(79,200)	(104,200)
Community arts building	(87,100)	(112,100)
Roads	(65,833)	(95,833)
Marmora Street well	(1,175,348)	(1,202,039)
	(1,871,810)	(2,106,216)

12. EXPENSES BY OBJECT

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

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
Salaries and benefits	3,151,233	2,989,231	2,804,531
Interest charges	26,050	20,607	26,988
Materials	3,228,240	3,385,057	2,614,585
Contracted services	1,405,400	1,100,086	1,816,656
Rents and financial	7,900	7,388	6,304
External transfers	74,593	69,620	63,041
Amortization	1,845,926	1,896,552	1,845,927
Loss (gain) on disposal of tangible capital assets	-	53,387	(79,349)
	9,739,342	9,521,928	9,098,683

13. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$157,343 (2021 - \$157,343) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

14. COMMITMENT

The Municipality has committed to the purchase of a new fire truck in the amount of \$437,314. As at December 31, 2022, a deposit of \$150,000 had been prepaid, with remainder due upon delivery of the truck in the 2023 fiscal year. This will be funded with a combination of reserves and development charges.

15. 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.

16. BUDGET FIGURES

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

17. SEGMENTED INFORMATION

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

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

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

General Government

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

Protection Services

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

Transportation Services

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

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

17. SEGMENTED INFORMATION, continued

Water and Sewer

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

Other Environmental Services

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

Health Services

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

Recreation and Cultural Services

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

Planning and Development

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

18. COMPARATIVE FIGURES

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

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2022

	General				Infrastructure		Assets Under Construction	Totals
	Land and Land Improvements	Buildings and Building Improvements	Machinery and Equipment	Vehicles	Roads and Bridges	Water and Sewer		
	\$	\$	\$	\$	\$	\$	\$	\$
COST								
Balance, beginning of year	1,864,171	9,304,852	2,389,447	2,491,179	45,581,889	6,527,524	851,365	69,010,427
Add: additions during the year	-	20,889	64,779	86,143	1,442,565	-	-	1,614,376
Less: disposals during the year	937	-	16,048	-	1,320,170	-	-	1,337,155
Internal transfers	-	-	-	-	810,507	-	(810,507)	-
Balance, end of year	1,863,234	9,325,741	2,438,178	2,577,322	46,514,791	6,527,524	40,858	69,287,648
ACCUMULATED AMORTIZATION								
Balance, beginning of year	679,174	2,845,383	1,295,862	1,621,929	33,817,527	1,732,284	-	41,992,159
Add: additions during the year	52,843	186,231	158,936	170,919	1,221,175	106,448	-	1,896,552
Less: disposals during the year	-	-	16,048	-	1,267,720	-	-	1,283,768
Balance, end of year	732,017	3,031,614	1,438,750	1,792,848	33,770,982	1,838,732	-	42,604,943
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,131,217	6,294,127	999,428	784,474	12,743,809	4,688,792	40,858	26,682,705

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2022

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	1,152,863	23,505	2,820,717	76,310	508,150	73,477	738,755	167,070	5,560,847
User charges	78,753	188,825	43,459	878,300	81,342	177,064	228,301	31,761	1,707,805
Government transfers - operating	-	1,358,543	150,921	2,100	-	-	28,095	23,449	1,563,108
Government transfers - capital	56,830	-	275,120	-	-	-	29,890	-	361,840
Other municipalities	-	35,352	-	-	39,336	32,162	87,949	-	194,799
Penalties and interest on taxes	106,191	-	-	-	-	-	-	-	106,191
Investment income	137,227	-	-	-	-	3,787	-	-	141,014
Donations	26,917	-	-	-	-	600	4,756	-	32,273
Other	33,413	-	45,095	-	-	1,873	1,163	312	81,856
Developer contributions earned	-	-	28,052	-	-	-	-	-	28,052
Parkland fees earned	-	-	-	-	-	-	12,588	-	12,588
Canada Community Building Fund earned	-	-	285,817	103,592	-	-	-	-	389,409
Total revenues	1,592,194	1,606,225	3,649,181	1,060,302	628,828	288,963	1,131,497	222,592	10,179,782
Expenses									
Salaries and benefits	645,610	407,083	704,906	258,510	248,268	37,955	594,168	92,731	2,989,231
Interest charges	-	-	-	-	-	20,607	-	-	20,607
Materials	376,585	260,156	1,290,248	347,885	389,271	232,449	434,160	54,303	3,385,057
Contracted services	6,279	798,009	130,555	264,950	(116,130)	-	16,169	254	1,100,086
Rents and financial	7,388	-	-	-	-	-	-	-	7,388
External transfers	3,788	63,772	-	-	-	2,060	-	-	69,620
Amortization	21,297	107,568	1,322,916	153,591	22,275	79,883	189,022	-	1,896,552
Loss (gain) on disposal of tangible capital assets	53,387	-	-	-	-	-	-	-	53,387
Total expenses	1,114,334	1,636,588	3,448,625	1,024,936	543,684	372,954	1,233,519	147,288	9,521,928
Net surplus/(deficit)	477,860	(30,363)	200,556	35,366	85,144	(83,991)	(102,022)	75,304	657,854

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2021

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	(535,815)	1,449,480	2,535,935	-	458,850	202,541	1,032,110	167,275	5,310,376
User charges	63,137	179,792	25,190	859,730	84,249	167,928	178,720	56,908	1,615,654
Government transfers - operating	1,412,699	54,846	273,453	-	-	308	178,359	-	1,919,665
Government transfers - capital	-	-	418,994	-	-	-	49,000	-	467,994
Other municipalities	-	34,190	-	-	32,258	31,585	129,671	-	227,704
Penalties and interest on taxes	121,576	-	-	-	-	-	-	-	121,576
Investment income	47,664	-	-	-	-	2,173	-	-	49,837
Donations	35,791	11,687	-	-	-	2,536	5,422	-	55,436
Other	17,287	-	92,765	-	-	-	-	52	110,104
Developer contributions earned	-	-	38,669	40,000	-	-	-	-	78,669
Parkland fees earned	-	-	-	-	-	-	11,317	-	11,317
Canada Community Building Fund earned	-	-	62,000	284,464	-	-	-	-	346,464
Total revenues	1,162,339	1,729,995	3,447,006	1,184,194	575,357	407,071	1,584,599	224,235	10,314,796
Expenses									
Salaries and benefits	668,239	352,432	661,809	245,515	210,857	27,702	560,284	77,693	2,804,531
Interest charges	-	-	-	-	-	26,988	-	-	26,988
Materials	251,362	254,369	997,399	384,503	147,241	188,429	363,135	28,147	2,614,585
Contracted services	475	818,652	70,646	195,010	721,717	-	10,156	-	1,816,656
Rents and financial	6,304	-	-	-	-	-	-	-	6,304
External transfers	1,240	60,781	-	-	-	1,020	-	-	63,041
Amortization	21,297	105,597	1,273,285	153,668	22,275	81,854	187,951	-	1,845,927
Loss (gain) on disposal of tangible capital assets	(83,344)	-	-	-	-	-	(8,262)	12,257	(79,349)
Total expenses	865,573	1,591,831	3,003,139	978,696	1,102,090	325,993	1,113,264	118,097	9,098,683
Net surplus/(deficit)	296,766	138,164	443,867	205,498	(526,733)	81,078	471,335	106,138	1,216,113

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2022, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 28, 2023

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2022

	Perpetual Care \$	Monument \$	2022 Total \$	2021 Total \$
FINANCIAL ASSETS				
Cash	6	1	7	192
Investments (note 2)	157,992	7,633	165,625	163,280
	157,998	7,634	165,632	163,472
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to Municipality	7,345	944	8,289	6,129
FUND BALANCE	150,653	6,690	157,343	157,343
	157,998	7,634	165,632	163,472

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

	Perpetual Care \$	Monument \$	2022 Total \$	2021 Total \$
BALANCES - beginning of year	150,653	6,690	157,343	155,621
RECEIPTS				
Investment income	4,067	234	4,301	3,413
Transfer from Municipality	-	-	-	1,020
	4,067	234	4,301	4,433
EXPENSES				
Transfer to Municipality	3,620	173	3,793	2,173
Administration fees	447	61	508	538
	4,067	234	4,301	2,711
BALANCES - end of year	150,653	6,690	157,343	157,343

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Use of Estimates

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

2. INVESTMENTS

Investments in mutual funds, recorded at cost, consist of the following:

	Market Value \$	2022 Cost \$	2021 Cost \$
Perpetual care fund	151,672	157,992	155,647
Monument fund	7,001	7,633	7,633
	158,673	165,625	163,280

3. CARE AND MAINTENANCE FUNDS

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

4. CEMETERY MONUMENT FUND

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

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**

CENTRE HASTINGS PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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

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

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

Basis for Qualified Opinion

In common with many Public Library Boards, the Board derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, annual surplus/(deficit), assets and accumulated surplus.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 28, 2023

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

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

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash	58,434	50,475
Accounts receivable	5,204	2,022
Due from Municipality (note 6)	-	135
TOTAL FINANCIAL ASSETS	63,638	52,632
LIABILITIES		
Accounts payable	2,476	3,326
NET FINANCIAL ASSETS	61,162	49,306
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	52,393	54,027
Prepaid expenses	-	746
TOTAL NON-FINANCIAL ASSETS	52,393	54,773
ACCUMULATED SURPLUS (note 3)	113,555	104,079

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

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

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Municipality of Centre Hastings contribution			
Levy	96,807	96,807	93,395
Allocated repairs and maintenance (note 6)	-	11,541	6,682
Township of Madoc contribution	41,489	41,489	40,026
Government of Canada	-	1,575	2,566
Province of Ontario	11,462	15,151	11,462
Other grants	6,585	3,240	28
User fees	500	1,631	1,335
Donations and fundraising	500	1,597	2,189
Large print pool fees	12,200	12,850	13,600
TOTAL REVENUES	169,543	185,881	171,283
EXPENSES			
Salaries and benefits	121,708	120,853	114,909
Supplies and services	23,230	22,802	18,038
Periodicals and collection repair	6,485	1,083	2,198
Repairs and maintenance	3,470	1,212	2,836
Amortization	19,340	18,914	19,340
Allocated repairs and maintenance (note 6)	-	11,541	6,682
TOTAL EXPENSES	174,233	176,405	164,003
ANNUAL SURPLUS/(DEFICIT)	<u>(4,690)</u>	9,476	7,280
ACCUMULATED SURPLUS - beginning of year		104,079	96,799
ACCUMULATED SURPLUS - end of year		113,555	104,079

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

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

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS/(DEFICIT)	(4,690)	9,476	7,280
Amortization of tangible capital assets	19,340	18,914	19,340
Acquisition of tangible capital assets	(16,650)	(17,280)	(15,947)
Change in prepaid expenses	-	746	(746)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(2,000)	11,856	9,927
NET FINANCIAL ASSETS - beginning of year	49,306	49,306	39,379
NET FINANCIAL ASSETS - end of year	47,306	61,162	49,306

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

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

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	9,476	7,280
Items not involving cash		
Amortization of tangible capital assets	18,914	19,340
Change in non-cash assets and liabilities		
Accounts receivable	(3,182)	6,649
Due from Municipality	135	-
Prepaid expenses	746	(746)
Accounts payable	(850)	(980)
Net change in cash from operating activities	25,239	31,543
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(17,280)	(15,947)
NET CHANGE IN CASH	7,959	15,596
CASH - beginning of year	50,475	34,879
CASH - end of year	58,434	50,475

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of revenue and expenses

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

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

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

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

(b) Use of estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

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

(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:

Books	7 years
Furniture and equipment	5 years

(d) Deferred revenue

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

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Non-financial assets

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

(f) Inter-entity transactions

The Centre Hastings Public Library Board is a Board of the Municipality of Centre Hastings and is consolidated with the Municipality's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Municipality.

2. TANGIBLE CAPITAL ASSETS

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

	Books \$	Furniture and Equipment \$	2022 Totals \$	2021 Totals \$
COST				
Balance, beginning of year	115,947	36,542	152,489	136,542
Add: additions during the year	17,280	-	17,280	15,947
Less: disposals during the year	21,746	-	21,746	-
Balance, end of year	111,481	36,542	148,023	152,489
ACCUMULATED AMORTIZATION				
Balance, beginning of year	71,485	26,977	98,462	79,122
Add: additions during the year	12,337	6,577	18,914	19,340
Less: disposals during the year	21,746	-	21,746	-
Balance, end of year	62,076	33,554	95,630	98,462
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	49,405	2,988	52,393	54,027

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

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

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Surplus		
Operations	61,162	50,052
Invested In Capital Assets		
Tangible capital assets - net book value	52,393	54,027
	<u>113,555</u>	<u>104,079</u>

4. BUDGET FIGURES

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

5. COMPARATIVE FIGURES

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

6. INTER-ENTITY TRANSACTIONS

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

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

Details of the inter-entity expense transactions are as follows:

	2022	2021
	\$	\$
Allocated costs:		
Repairs and maintenance	11,541	6,682

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

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