

**CORPORATION OF THE TOWNSHIP OF  
CAVAN MONAGHAN**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

**CORPORATION OF THE TOWNSHIP OF  
CAVAN MONAGHAN**

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**DECEMBER 31, 2024**

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## CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

For The Year Ended December 31, 2024

### MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Cavan Monaghan are the responsibility of management and have been approved by Council.

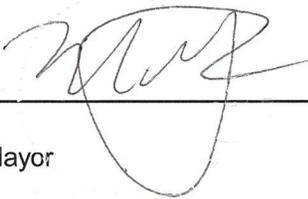
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen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

The Township 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 Township's assets are appropriately accounted for and adequately safeguarded.

The Township'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 Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Cavan Monaghan. 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 Township. Baker Tilly KDN LLP has full and free access to Council.



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Mayor



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Director of Finance/Treasurer

December 1, 2025

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Council, Inhabitants and Ratepayers of the Township of Cavan Monaghan**

#### *Opinion*

We have audited the consolidated financial statements of the Corporation of the Township of Cavan Monaghan and its local boards (the Township), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2024, 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 Township 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 Township'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 Township or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Township'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 Township'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 Township'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 Township 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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  
December 17, 2025



# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2024

	2024	2023
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	15,556,342	21,987,607
Investments (note 4)	1,270,739	1,211,705
Accounts receivable (note 5)	1,929,939	2,096,513
Taxes receivable	3,203,325	3,132,871
<b>TOTAL FINANCIAL ASSETS</b>	<b>21,960,345</b>	<b>28,428,696</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (note 6)	3,733,559	3,809,626
Deferred revenue - obligatory reserve funds (note 10)	1,239,570	1,277,619
Deferred revenue - other (note 9)	531,605	485,684
Employee future benefits payable (note 11)	869,331	843,063
Long term debt (note 8)	6,359,871	6,655,315
Asset retirement obligation (note 19)	740,800	740,800
<b>TOTAL LIABILITIES</b>	<b>13,474,736</b>	<b>13,812,107</b>
<b>NET FINANCIAL ASSETS</b>	<b>8,485,609</b>	<b>14,616,589</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 15)	87,637,652	78,167,344
Inventories of materials and supplies	85,607	94,590
Prepaid expenses	31,118	21,693
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>87,754,377</b>	<b>78,283,627</b>
	<b>96,239,986</b>	<b>92,900,216</b>
<b>Comprised of:</b>		
Accumulated surplus (note 16)	96,360,438	93,048,473
Accumulated remeasurement gains/(losses)	(120,452)	(148,257)
	<b>96,239,986</b>	<b>92,900,216</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2024

	Budget 2024 \$ (note 7)	Actual 2024 \$	Actual 2023 \$
<b>REVENUES</b>			
Property taxation	11,336,042	12,174,540	11,642,117
User charges	2,902,635	3,192,590	2,908,988
Government of Canada	-	130,835	585,113
Province of Ontario	599,423	1,058,529	575,135
Penalties and interest on taxes	385,000	417,638	379,895
Investment income	415,000	963,642	1,253,214
Donations	4,500	17,277	133,876
Other	136,850	136,191	243,881
Ontario Lottery and Gaming	-	307,769	330,078
Development charges earned (note 10)	4,135,415	211,360	689,686
Canada Community-Building Fund earned (note 10)	300,000	490,432	267,446
<b>TOTAL REVENUES</b>	<b>20,214,865</b>	<b>19,100,803</b>	<b>19,009,429</b>
<b>EXPENSES</b>			
General government	2,743,536	3,047,593	2,524,555
Protection services	3,790,382	3,394,713	3,424,580
Transportation services	3,555,369	3,624,681	3,123,238
Environmental services	2,111,233	2,713,202	2,836,652
Recreation and cultural services	2,391,133	2,392,468	2,360,810
Planning and development	752,498	589,536	581,367
<b>TOTAL EXPENSES</b>	<b>15,344,151</b>	<b>15,762,193</b>	<b>14,851,202</b>
<b>ANNUAL SURPLUS</b>	<b>4,870,714</b>	<b>3,338,610</b>	<b>4,158,227</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>93,048,473</b>	<b>88,890,246</b>
<b>ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD (note 17)</b>		<b>(26,645)</b>	<b>-</b>
<b>ACCUMULATED SURPLUS - beginning of year, as restated</b>		<b>93,021,828</b>	<b>88,890,246</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>96,360,438</b>	<b>93,048,473</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended December 31, 2024

	2024	2023
	\$	\$
<b>ACCUMULATED REMEASUREMENT LOSSES - beginning of year</b>	(148,257)	-
Unrealized gain/(loss) on portfolio investments during the year	27,805	(20,569)
Adjustment on adoption of the financial instruments standard	-	(127,688)
<b>ACCUMULATED REMEASUREMENT LOSSES - end of year</b>	<b>(120,452)</b>	<b>(148,257)</b>

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2024

	Budget 2024 \$ (note 7)	Actual 2024 \$	Actual 2023 \$
<b>ANNUAL SURPLUS</b>	4,870,714	3,338,610	4,158,227
Amortization of tangible capital assets	2,952,902	3,425,290	2,952,902
Purchase of tangible capital assets	(15,344,128)	(13,010,583)	(8,732,315)
Loss on disposal of tangible capital assets	-	40,850	220,343
Proceeds on sale of tangible capital assets	-	74,135	-
Change in inventories of materials and supplies	-	8,983	(3,961)
Change in prepaid expenses	-	(9,425)	(7,100)
<b>DECREASE IN NET FINANCIAL ASSETS</b>	<b>(7,520,512)</b>	<b>(6,132,140)</b>	<b>(1,411,904)</b>
<b>NET FINANCIAL ASSETS - beginning of year</b>	14,616,589	14,616,589	16,889,743
<b>ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD</b>	-	-	(712,993)
<b>ADJUSTMENT ON ADOPTION OF THE FINANCIAL INSTRUMENTS STANDARD</b>	-	-	(127,688)
<b>ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD (note 17)</b>	-	(26,645)	-
<b>NET FINANCIAL ASSETS - beginning of year, as restated</b>	14,616,589	14,589,944	16,049,062
<b>INCREASE/(DECREASE) IN ACCUMULATED REMEASUREMENT GAINS</b>	-	27,805	(20,569)
<b>NET FINANCIAL ASSETS - end of year</b>	<b>7,096,077</b>	<b>8,485,609</b>	<b>14,616,589</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024

	2024	2023
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	3,338,610	4,158,227
Items not involving cash		
Amortization of tangible capital assets	3,425,290	2,952,902
Loss on disposal of tangible capital assets	40,850	220,343
Change in employee future benefits	26,268	47,956
Change in landfill post-closure liability	-	(56,800)
Change in asset retirement obligations	-	27,807
Change in non-cash assets and liabilities		
Accounts receivable	166,574	(395,280)
Taxes receivable	(70,454)	(771,038)
Inventories of materials and supplies	8,983	(3,961)
Prepaid expenses	(9,425)	(7,100)
Accounts payable and accrued liabilities	(76,067)	929,457
Deferred revenue - obligatory reserve funds	(38,049)	(634,702)
Deferred revenue - other	19,276	(60,202)
<b>Net change in cash from operating activities</b>	<b>6,831,856</b>	<b>6,407,609</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(13,010,583)	(8,732,315)
Proceeds on sale of tangible capital assets	74,135	-
<b>Net change in cash from capital activities</b>	<b>(12,936,448)</b>	<b>(8,732,315)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(31,229)	(28,071)
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments	(295,444)	(286,153)
<b>NET CHANGE IN CASH</b>	<b>(6,431,265)</b>	<b>(2,638,930)</b>
<b>CASH - beginning of year</b>	<b>21,987,607</b>	<b>24,626,537</b>
<b>CASH - end of year</b>	<b>15,556,342</b>	<b>21,987,607</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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The Township of Cavan Monaghan 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 Township and which are owned and controlled by the Township. These consolidated financial statements include:

- Township of Cavan Monaghan Public Libraries
- Millbrook Business Improvement Area Board

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

#### (b) Trust Funds

Trust funds and their related operations administered by the Township 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, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	10 to 20 years
Buildings and building improvement	40 to 75 years
Equipment	3 to 25 years
Vehicles	10 to 25 years
Roads and bridges	7 to 50 years
Water and utility systems	30 to 50 years
Sewer	75 to 80 years
Solar panels	40 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.

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (d) Recognition of Revenues and Expenses

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

##### Property taxation

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township 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 Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

##### Government and Ontario Lottery and Gaming Corporation Funding

Government and Ontario Lottery and Gaming Corporation 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.

Investment income is recorded in the year in which it is 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 Township because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township 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 TOWNSHIP OF CAVAN MONAGHAN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (g) Deferred Revenue

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

#### (h) Use of Estimates

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township'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 Township's significant estimates include:

- The amount recorded for asset retirement obligation is based on estimates of the assets with potential contaminants and management's estimate of the costs to retire those assets - See Note 1(i) and related costs added to tangible capital assets - See Note 1(c);
- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(c);
- Employee future amounts payable depend on certain actuarial and economic assumptions; and
- Allowance for doubtful accounts receivable is based in management's estimate of future collectibility.

#### (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.

A liability for the removal of asbestos in several of the buildings owned by the Township has been recognized based on estimated future expenses for remediation or disposal.

The liability has not been discounted using a present value calculation due to the uncertainty of when the future costs will be incurred. The recognition of the initial liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the accounting policies outlined in (c).

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Financial Instruments

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

Financial Instrument	Measurement Method
Cash	Amortized Cost
Investments	Fair Value
Accounts receivable	Amortized Cost
Taxes receivable	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Long term debt	Amortized Cost

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

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

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

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

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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

During 2024, requisitions were made by the County of Peterborough and School Boards requiring the Township 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 \$
Amounts requisitioned and remitted	3,317,456	6,320,416

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

### 3. TRUST FUNDS

Trust funds administered by the Township amounting to \$3,150 (2023 - \$3,109) 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 Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

### 4. INVESTMENTS

Investments consist of:

	Level (note 1(j))	2024 \$	2023 \$
<b>Investments held at fair value</b>			
ONE fund - money market	1	-	12,882
ONE fund - bond portfolio	1	1,148,135	1,081,894
ONE fund - obligatory reserve fund bond portfolio	1	122,604	116,929
		1,270,739	1,211,705

There were no transfers in or out of level 2 and level 3 during the year.

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 5. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2024	2023
	\$	\$
Government of Canada	743,035	720,434
Government of Ontario	485,797	452,481
County and School Boards	1,014	1,014
Other receivables	700,093	922,584
	<b>1,929,939</b>	<b>2,096,513</b>

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	2024	2023
	\$	\$
Trade payables	2,262,877	2,712,880
Holdbacks payable	1,086,868	698,327
Payroll accrual	145,741	141,740
Payroll deductions	65,434	88,600
Developer deposits	172,639	168,079
	<b>3,733,559</b>	<b>3,809,626</b>

### 7. BUDGET FIGURES

The budget, approved by the Township differs from the budget reflected on the Consolidated Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Council's approved budget to the annual surplus:

	2024
	\$
Council approved budgeted surplus	-
Tangible capital asset additions	15,344,128
Amortization of tangible capital assets	(2,952,902)
Principal repayment of long term debt	327,000
Transfers to/(from) reserves and reserve funds	(7,625,952)
Change in unfunded capital	(221,560)
<b>Annual surplus reported on the Consolidated Statement of Operations</b>	<b>4,870,714</b>

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 8. LONG TERM DEBT

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

	2024	2023
	\$	\$
Ontario Infrastructure and Lands Corporation, matures December 15, 2037, repayable in blended monthly payments of \$27,248, bears interest at 3.15% per annum.	3,484,258	3,697,821
Ontario Infrastructure and Lands Corporation, matures December 15, 2047, repayable in blended monthly payments of \$10,586, bears interest at 3.33% per annum.	2,039,300	2,097,367
Ontario Infrastructure and Lands Corporation, matures December 15, 2047, repayable in blended monthly payments of \$4,341, bears interest at 3.33% per annum.	836,313	860,127
	<b>6,359,871</b>	<b>6,655,315</b>

- (b) Interest paid during the year on long term debt amounted to \$210,658 (2023 - \$219,950).
- (c) All long-term debt reported in (a) is under Water & Wastewater services and is funded through user fees and development charges.
- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2025	305,038	201,064	506,102
2026	314,944	191,158	506,102
2027	325,171	180,931	506,102
2028	335,731	170,371	506,102
2029	346,634	159,468	506,102
2030 and subsequent years	4,732,353	1,107,699	5,840,052
	<b>6,359,871</b>	<b>2,010,691</b>	<b>8,370,562</b>

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 9. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2024	2023
	\$	\$
Ontario Community Infrastructure Funding	480,484	480,484
Library funds	5,200	5,200
Building permits	45,921	-
	<b>531,605</b>	<b>485,684</b>

The continuity of deferred revenue - other is as follows:

	2024	2023
	\$	\$
Balance - beginning of year	485,684	545,886
Adjustment to opening balance (note 17)	26,645	-
Add amounts received:		
Ontario Community Infrastructure Funding	369,637	434,867
Interest	-	11,352
Library	-	5,200
Building permits	255,116	-
	<b>624,753</b>	<b>451,419</b>
Less transfer to operations:		
Ontario Community Infrastructure Funding spent	369,637	511,621
Building permit revenue earned	235,840	-
	<b>605,477</b>	<b>511,621</b>
Balance - end of year	<b>531,605</b>	<b>485,684</b>

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 10. 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 Township are summarized below:

	2024	2023
	\$	\$
Development charges	504,579	468,659
Parkland	442,084	351,838
Canada Community-Building Fund	292,907	457,122
	1,239,570	1,277,619

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

	2024	2023
	\$	\$
Balance - beginning of year	1,277,619	1,912,321
Add amounts received:		
Development charges	391,411	136,484
Canada Community-Building Fund	319,267	292,188
Parkland	79,800	8,400
Net interest earned (charged)	(126,735)	(114,642)
	663,743	322,430
Less transfer to operations:		
Development charges	211,360	689,686
Canada Community-Building Fund	490,432	267,446
	701,792	957,132
Balance - end of year	1,239,570	1,277,619

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 11. EMPLOYEE FUTURE AMOUNTS PAYABLE

The Township provides post employment health and dental benefits to certain employees based on a number of eligibility factors including their date of hire and years of service. The Township records estimated liabilities for accrued employee benefits in the year they are earned.

	2024	2023
	\$	\$
Accrued benefit obligation at January 1	843,063	798,450
Unamortized actuarial gains/(losses)	252,181	(3,342)
Liability at January 1	843,063	795,107
Current year benefit cost	39,983	59,501
Benefit payments by employer	(13,715)	(11,545)
<b>Employee future benefits payable</b>	<b>869,331</b>	<b>843,063</b>

The accrued benefit obligations for the Township's employee future benefit plans are based on actuarial valuations for accounting purposes. These actuarial valuations were based on assumptions about events in future periods. The cost of future benefits is determined actuarially using the projected benefit method pro-rated on service and management's best estimate of expected salary escalation, retirement ages of employees and health care costs. The discount rate used to determine the employee future benefits payable was determined by reference to the Township's internal rate of borrowing. Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of the amendment. The most recent valuation is dated April 5, 2024. The economic assumptions used in this valuation are the Township's best estimates of expected rates:

Discount on accrued benefit obligations	2.50%
Health care cost escalation	4.90%
Dental cost escalation	5.10%

The employee future benefits expense is reported on the Consolidated Statement of Operations and Accumulated Surplus and is comprised of the following:

	2024	2023
	\$	\$
Current service cost	28,174	38,446
Interest on accrued benefit obligation	26,643	20,776
Amortized actuarial losses	(14,834)	279
<b>Employee future benefits expense</b>	<b>39,983</b>	<b>59,501</b>

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

### 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 2024 \$ (note 7)	Actual 2024 \$	Actual 2023 \$
Salaries and benefits	5,806,655	5,370,682	5,040,503
Interest charges	180,000	210,658	219,950
Materials	2,482,332	3,077,693	2,920,378
Contracted services	3,371,821	3,376,938	3,298,174
Rents and financial	433,540	142,834	94,126
External transfers	116,901	117,248	104,826
Amortization	2,952,902	3,425,290	2,952,902
Loss (gain) on disposal of tangible capital assets	-	40,850	220,343
	15,344,151	15,762,193	14,851,202

### 13. PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 2024 Annual Report disclosed total actuarial liabilities of \$142,489 million in respect of benefits accrued for service with actuarial assets of \$139,576 million indicating an actuarial deficit of \$2,913 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 Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's total contributions to OMERS in 2024 were \$661,816 (2023 - \$668,166) of which \$330,908 (2023 - \$334,083) was contributed by employees.

Extra paragraph

### 14. SUBSEQUENT EVENT

Subsequent to year end the Ontario Lottery and Gaming (OLG) announced that they are ceasing operations at Kawartha Downs in March 2026. This announcement will impact future revenue streams.

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 15. TANGIBLE CAPITAL ASSETS

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

	2024	2023
	\$	\$
General		
Land and land improvements	8,613,135	5,673,288
Buildings and building improvements	22,873,449	23,383,851
Equipment	2,175,528	2,000,325
Vehicles	3,870,530	4,203,914
Infrastructure		
Roads and bridges	11,492,099	11,447,301
Water systems	5,328,816	5,388,439
Sewer systems	23,202,778	23,432,289
	77,556,335	75,529,407
Assets under construction	10,081,317	2,637,937
	87,637,652	78,167,344

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

During the year there were no write-downs of assets (2023 - \$Nil), no interest capitalized (2023 - \$Nil) and no contributed assets (2023 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2024	2023
	\$	\$
General government	8,448,998	6,352,282
Protection services	9,958,427	4,531,745
Transportation services	18,742,598	18,838,194
Environmental services	29,780,473	29,798,686
Health services	1,858	1,858
Recreation and cultural services	20,677,426	18,616,707
Planning and development	27,872	27,872
	87,637,652	78,167,344

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 16. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2024	2023
	\$	\$
<b>Surplus/(Deficit)</b>		
General	817,155	328,989
Unfunded employee future benefits	(869,331)	(843,063)
Township of Cavan Monaghan Public Libraries	15,050	9,744
Millbrook Business Improvement Area	69,399	65,965
	<b>32,273</b>	<b>(438,365)</b>
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	87,637,652	78,167,344
Long term debt	(6,359,871)	(6,655,315)
Unfunded capital - See (b) below	(15,129,780)	(5,398,882)
Asset retirement obligations	(740,800)	(740,800)
	<b>65,407,201</b>	<b>65,372,347</b>
<b>Surplus</b>	<b>65,439,474</b>	<b>64,933,982</b>
<b>Reserves</b>		
Working funds	1,407,721	1,553,207
Policing	58,333	58,333
Emergency services	1,778,870	1,585,207
Transportation services	72,759	46,055
Waste disposal services	25,959	25,959
Parks and recreation services	315,141	283,925
Water and sewer operations	4,067,748	4,266,589
Planning and development	527,305	788,786
Future capital	22,560,413	19,393,779
Election services	30,169	25,169
Computer services	8,754	13,854
Springville & Ebenezer cemetery	26,030	26,030
New community centre	24,680	25,000
Cavan Monaghan Public Libraries	17,060	22,586
<b>Total Reserves</b>	<b>30,920,942</b>	<b>28,114,479</b>
<b>Reserve Funds</b>		
Cavan Monaghan Public Libraries	22	12
	<b>96,360,438</b>	<b>93,048,473</b>

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

### 16. ACCUMULATED SURPLUS, continued

(b) Unfunded capital consists of the following:

	2024	2023
	\$	\$
Transportation	2,753,965	2,426,213
Recreation	4,565,492	2,253,428
Water and sewer	1,476,599	615,112
Protection	6,333,724	104,129
	15,129,780	5,398,882

These amounts will be recovered from future development charges and other revenues.

### 17. CHANGES IN ACCOUNTING POLICIES

The Township has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'.

In accordance with the provisions of this new standard, which has been applied prospectively, the Township reflected the following adjustments at January 1, 2024:

- An increase of \$26,645 to deferred revenue - other and corresponding decrease to accumulated surplus related to the estimated unearned portion of building permit fees due to outstanding performance obligations at December 31, 2023.

Under PSG-8, an entity may recognize purchased intangibles as an asset in its consolidated financial statements if the intangible meets the asset definition and the general recognition criteria. The adoption of this standard did not have an impact on the Township's consolidated financial statements.

### 18. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$1,500,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2023-81. At December 31, 2024 there was no balance outstanding (2023 - \$Nil).

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

### 19. ASSET RETIREMENT OBLIGATION

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

(a) Asbestos obligation

The Township 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 Township recognized an obligation relating to the removal of the asbestos in these building as estimated at January 1, 2023. The buildings are expected to reach the end of their useful life between 1-15 years. Post-closure care is estimated to extend for up to a year post the closure of the building, while demolition and construction continues.

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

	Asbestos removal 2024 \$	Asbestos removal 2023 \$
<b>Asset Retirement Obligation</b>		
Opening balance	740,800	712,993
Accretion expense	-	27,807
Closing balance	740,800	740,800

### 20. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the Township 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 Township 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.

The Township reduces its exposure to credit risk by creating an allowance for bad debts when applicable. The Township monitors and assesses the collectability of accounts receivable based on past experience to derive a net realizable value.

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

(b) Market risk

The Township is exposed to certain market risks regarding their investments. This risk is mitigated with the Township's investment policy.

In the opinion of management, the Township is not exposed to any liquidity, significant interest rate, or currency risk.

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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### 21. SEGMENTED INFORMATION

The Township of Cavan Monaghan is a municipal government organization that provides a range of services to its residents. Township 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 Township and its programs and services. Departments included in the general government segment include Council, CAO, Clerk, and Finance.

#### **Protection Services**

Protection services include police, fire, conservation authorities and protective inspection and control. The police services are contracted to ensure the safety and protection of the citizens and their property. The volunteer fire department is responsible to provide fire suppression service, fire prevention programs, emergency preparedness, training and education.

#### **Transportation Services**

The activities of the transportation segment include construction and maintenance of the Township's roads, road safety devices, signs, bridges, sidewalks, street lighting and crossing guard services within the Township.

#### **Water and Sewer**

This segment is responsible for providing water and sewer services to certain areas within the Township.

#### **Other Environmental Services**

This function is responsible for providing waste collection and waste disposal services to ratepayers. Curbside pick-up is provided to all wards. Residents are also provided with access to additional waste disposal and recycling services at the Transfer Station site.

#### **Recreation and Cultural Services**

The recreation and cultural services segment provides services meant to improve the health and development of the Township's citizens. This service area provides indoor and outdoor recreational facilities. Recreational and cultural programs including skating lessons, moms and tots programs, hockey groups and home schooling programs are provided at the arena and community centres. The Township also provides library services to assist with its citizens' informational needs.

#### **Planning and Development**

The planning and development services segment manages commercial, industrial and residential development within the Township.

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2024

	General				Infrastructure			Assets Under Construction	Totals
	Land and Land Improvements	Buildings and Building Improvements	Equipment	Vehicles	Roads and Bridges	Water Systems	Sewer Systems		
	\$	\$	\$	\$	\$	\$	\$	\$	
<b>COST</b>									
Balance, beginning of year	6,559,458	28,120,364	4,029,578	6,719,865	34,591,713	7,051,023	29,371,721	2,637,937	119,081,659
Add: additions during the year	3,037,301	311,670	508,116	63,066	1,143,953	83,722	419,375	7,443,380	13,010,583
Less: disposals during the year	-	-	190,834	250,878	-	-	-	-	441,712
Balance, end of year	9,596,759	28,432,034	4,346,860	6,532,053	35,735,666	7,134,745	29,791,096	10,081,317	131,650,530
<b>ACCUMULATED AMORTIZATION</b>									
Balance, beginning of year	886,170	4,736,513	2,029,253	2,515,951	23,144,412	1,662,584	5,939,432	-	40,914,315
Add: additions during the year	97,454	822,072	329,987	284,391	1,099,155	143,345	648,886	-	3,425,290
Less: disposals during the year	-	-	187,908	138,819	-	-	-	-	326,727
Balance, end of year	983,624	5,558,585	2,171,332	2,661,523	24,243,567	1,805,929	6,588,318	-	44,012,878
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>									
	8,613,135	22,873,449	2,175,528	3,870,530	11,492,099	5,328,816	23,202,778	10,081,317	87,637,652

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2024

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Recreation and Cultural Services \$	Planning and Development \$	OLG \$	Consolidated \$
<b>Revenues</b>									
Property taxation	1,808,143	3,511,466	3,126,758	-	866,189	2,004,040	857,944	-	12,174,540
User charges	98,544	345,180	2,270	2,001,676	131,309	545,395	68,216	-	3,192,590
Government transfers - operating	539,083	3,429	-	-	-	46,650	-	-	589,162
Government transfers - capital	-	-	369,713	229,156	-	-	1,333	-	600,202
Penalties and interest on taxes	417,638	-	-	-	-	-	-	-	417,638
Investment income	963,642	-	-	-	-	-	-	-	963,642
Donations	11,720	-	-	-	-	5,157	400	-	17,277
Other	95,259	-	40,932	-	-	-	-	-	136,191
Ontario Lottery and Gaming	-	-	-	-	-	-	-	307,769	307,769
Development charges earned	-	33,628	77,019	26,350	-	74,363	-	-	211,360
Canada Community-Building Fund earned	-	-	490,432	-	-	-	-	-	490,432
<b>Total revenues</b>	<b>3,934,029</b>	<b>3,893,703</b>	<b>4,107,124</b>	<b>2,257,182</b>	<b>997,498</b>	<b>2,675,605</b>	<b>927,893</b>	<b>307,769</b>	<b>19,100,803</b>
<b>Expenses</b>									
Salaries and benefits	1,545,920	1,098,975	1,038,293	187,064	76,059	995,168	429,203	-	5,370,682
Interest charges	-	-	-	210,658	-	-	-	-	210,658
Materials	671,097	372,091	949,018	384,365	10,970	571,832	118,320	-	3,077,693
Contracted services	425,046	1,631,463	192,630	595,592	432,348	58,224	41,635	-	3,376,938
Rents and financial	109,718	-	33,116	-	-	-	-	-	142,834
External transfers	-	114,287	-	-	-	2,961	-	-	117,248
Amortization	295,812	177,897	1,370,774	816,146	-	764,283	378	-	3,425,290
Loss (gain) on disposal of tangible capital assets	-	-	40,850	-	-	-	-	-	40,850
<b>Total expenses</b>	<b>3,047,593</b>	<b>3,394,713</b>	<b>3,624,681</b>	<b>2,193,825</b>	<b>519,377</b>	<b>2,392,468</b>	<b>589,536</b>	<b>-</b>	<b>15,762,193</b>
<b>Net surplus</b>	<b>886,436</b>	<b>498,990</b>	<b>482,443</b>	<b>63,357</b>	<b>478,121</b>	<b>283,137</b>	<b>338,357</b>	<b>307,769</b>	<b>3,338,610</b>

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2023

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Recreation and Cultural Services \$	Planning and Development \$	OLG \$	Consolidated \$
<b>Revenues</b>									
Property taxation	3,174,477	3,558,223	3,002,917	-	230,553	1,151,174	524,773	-	11,642,117
User charges	387,458	229,216	2,977	1,974,013	110,099	168,778	36,447	-	2,908,988
Government transfers - operating	536,400	2,360	511,546	-	-	34,922	-	-	1,085,228
Government transfers - capital	-	-	-	73,020	-	2,000	-	-	75,020
Penalties and interest on taxes	379,895	-	-	-	-	-	-	-	379,895
Investment income	1,253,214	-	-	-	-	-	-	-	1,253,214
Donations	25,000	-	-	-	-	107,626	1,250	-	133,876
Other	224,058	-	19,823	-	-	-	-	-	243,881
Ontario Lottery and Gaming	-	-	-	-	-	-	-	330,078	330,078
Development charges earned	53,333	566,263	(210,762)	310,537	-	(29,685)	-	-	689,686
Canada Community-Building Fund earned	-	-	267,446	-	-	-	-	-	267,446
<b>Total revenues</b>	<b>6,033,835</b>	<b>4,356,062</b>	<b>3,593,947</b>	<b>2,357,570</b>	<b>340,652</b>	<b>1,434,815</b>	<b>562,470</b>	<b>330,078</b>	<b>19,009,429</b>
<b>Expenses</b>									
Salaries and benefits	1,335,492	1,050,102	1,022,481	204,276	84,256	881,156	462,740	-	5,040,503
Interest charges	-	-	-	219,950	-	-	-	-	219,950
Materials	633,571	402,242	806,466	400,961	9,498	598,072	69,568	-	2,920,378
Contracted services	318,243	1,515,940	174,352	753,640	366,565	120,753	48,681	-	3,298,174
Rents and financial	12,362	18,468	54,426	-	-	8,870	-	-	94,126
External transfers	-	104,826	-	-	-	-	-	-	104,826
Amortization	224,887	146,471	1,033,988	795,219	-	751,959	378	-	2,952,902
Loss (gain) on disposal of tangible capital assets	-	186,531	31,525	2,287	-	-	-	-	220,343
<b>Total expenses</b>	<b>2,524,555</b>	<b>3,424,580</b>	<b>3,123,238</b>	<b>2,376,333</b>	<b>460,319</b>	<b>2,360,810</b>	<b>581,367</b>	<b>-</b>	<b>14,851,202</b>
<b>Net surplus/(deficit)</b>	<b>3,509,280</b>	<b>931,482</b>	<b>470,709</b>	<b>(18,763)</b>	<b>(119,667)</b>	<b>(925,995)</b>	<b>(18,897)</b>	<b>330,078</b>	<b>4,158,227</b>

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Council, Inhabitants and Ratepayers of the Township of Cavan Monaghan**

#### *Opinion*

We have audited the financial statements of the Trust Funds of the Corporation of the Township of Cavan Monaghan (the Trust Funds), which comprise the statement of financial position as at December 31, 2024, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2024, 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  
December 17, 2025

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2024

	Baptie Trust \$	Endowment Trust \$	2024 Total \$	2023 Total \$
<b>FINANCIAL ASSETS</b>				
Cash	11	2,974	2,985	2,849
Due from Township	1,020	-	1,020	1,020
	1,031	2,974	4,005	3,869
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to Township	-	855	855	760
<b>FUND BALANCES</b>				
Capital	-	2,119	2,119	2,060
Income	1,031	-	1,031	1,049
	1,031	2,119	3,150	3,109
	1,031	2,974	4,005	3,869

## TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2024

	Baptie Trust \$	Endowment Trust \$	2024 Total \$	2023 Total \$
<b>BALANCES - beginning of year</b>	1,031	2,078	3,109	3,065
<b>RECEIPTS</b>				
Interest earned	-	136	136	139
<b>EXPENSES</b>				
Scholarship	-	95	95	95
<b>BALANCES - end of year</b>	1,031	2,119	3,150	3,109

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Use of Estimates

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

**CORPORATION OF THE TOWNSHIP OF CAVAN  
MONAGHAN**

**TOWNSHIP OF CAVAN MONAGHAN PUBLIC LIBRARIES**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

**INDEPENDENT AUDITOR'S REPORT****To the Members of the Township of Cavan Monaghan Public Libraries, the Members of Council, Inhabitants and Ratepayers of the Township of Cavan Monaghan****T: (705) 742-3418**  
**F: (705) 742-9775****[www.bakertilly.ca](http://www.bakertilly.ca)***Qualified Opinion*

We have audited the financial statements of the Township of Cavan Monaghan Public Libraries of the Corporation of the Township of Cavan Monaghan (the Board), which comprise the statement of financial position as at December 31, 2024, 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, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Basis for Qualified Opinion*

In common with many Public Library Boards, the Board derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, annual surplus/(deficit) and cash flows from operations for the years ended December 31, 2024 and 2023, and assets and accumulated surplus as at December 31, 2024 and 2023. Our opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this scope limitation.

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

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

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

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

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

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 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  
December 17, 2025

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## TOWNSHIP OF CAVAN MONAGHAN PUBLIC LIBRARIES STATEMENT OF FINANCIAL POSITION At December 31, 2024

	2024	2023
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	170,832	173,237
Accounts receivable	5,622	5,503
<b>TOTAL FINANCIAL ASSETS</b>	<b>176,454</b>	<b>178,740</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	20,510	24,541
Deferred revenue (note 3)	124,976	123,593
<b>TOTAL LIABILITIES</b>	<b>145,486</b>	<b>148,134</b>
<b>NET FINANCIAL ASSETS</b>	<b>30,968</b>	<b>30,606</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 4)	76,419	75,512
Prepaid expenses	1,164	1,737
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>77,583</b>	<b>77,249</b>
<b>ACCUMULATED SURPLUS (note 6)</b>	<b>108,551</b>	<b>107,855</b>

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

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## TOWNSHIP OF CAVAN MONAGHAN PUBLIC LIBRARIES STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2024

	Budget 2024 \$ (note 11)	Actual 2024 \$	Actual 2023 \$
<b>REVENUES</b>			
Township contribution - operating (note 7)	320,396	320,396	306,520
Township contribution - occupancy (note 7)	-	26,502	26,935
Township contribution - audit, insurance, payroll and IT (note 7)	-	14,935	14,517
Township contribution - development charges (note 7)	6,500	6,500	5,000
Township contribution - capital (note 7)	22,000	22,000	27,000
Province of Ontario	39,623	40,815	34,375
Government of Canada	-	5,835	546
User charges	1,340	2,491	3,122
Donations and fundraising	4,000	7,292	9,437
Other grants	-	-	2,000
<b>TOTAL REVENUES</b>	<b>393,859</b>	<b>446,766</b>	<b>429,452</b>
<b>EXPENSES</b>			
Salaries and benefits	318,630	325,307	306,513
Insurance	-	8,321	6,467
Information technology	14,304	7,606	6,409
Training and development	2,515	2,058	1,561
Professional fees and honoraria	-	6,614	5,522
Program and service materials	26,097	25,118	22,597
Telephone and utilities	6,420	4,833	5,456
Occupancy (note 7)	-	26,502	26,935
Office	18,849	12,410	8,980
Amortization	27,432	27,301	27,432
<b>TOTAL EXPENSES</b>	<b>414,247</b>	<b>446,070</b>	<b>417,872</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>(20,388)</u></b>	<b>696</b>	<b>11,580</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>107,855</b>	<b>96,275</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>108,551</b>	<b>107,855</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## TOWNSHIP OF CAVAN MONAGHAN PUBLIC LIBRARIES STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2024

	Budget 2024 \$ (note 11)	Actual 2024 \$	Actual 2023 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(20,388)	696	11,580
Amortization of tangible capital assets	27,432	27,301	27,432
Acquisition of tangible capital assets	(27,000)	(28,208)	(33,708)
Change in prepaid expenses	-	573	3,081
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(19,956)	362	8,385
<b>NET FINANCIAL ASSETS - beginning of year</b>	30,606	30,606	22,221
<b>NET FINANCIAL ASSETS - end of year</b>	10,650	30,968	30,606

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## TOWNSHIP OF CAVAN MONAGHAN PUBLIC LIBRARIES

### STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024

	2024	2023
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	696	11,580
Items not involving cash		
Amortization of tangible capital assets	27,301	27,432
Change in non-cash working capital		
Accounts receivable	(119)	14,502
Prepaid expenses	573	3,081
Accounts payable and accrued liabilities	(4,031)	4,673
Deferred revenue	1,383	9,250
<b>Net change in cash from operating activities</b>	<b>25,803</b>	<b>70,518</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(28,208)	(33,708)
<b>NET CHANGE IN CASH</b>	<b>(2,405)</b>	<b>36,810</b>
<b>CASH - beginning of year</b>	<b>173,237</b>	<b>136,427</b>
<b>CASH - end of year</b>	<b>170,832</b>	<b>173,237</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## TOWNSHIP OF CAVAN MONAGHAN PUBLIC LIBRARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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#### 1. NATURE OF OPERATIONS

Cavan Monaghan Public Libraries is an unincorporated non-profit organization. The Cavan Monaghan Libraries are dedicated to working with its staff, members and clients to provide efficient service to meet the needs of the community.

The Cavan Monaghan Libraries house a new and up-to-date collection of books and other items to serve the Township of Cavan Monaghan, and has a reciprocal borrowing agreement with the neighbouring Otonabee South-Monaghan Township Library Board.

The Cavan Monaghan Libraries is a registered charity, and as such is exempt from income tax.

#### 2. 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.

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.

##### (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.

**CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN**

**TOWNSHIP OF CAVAN MONAGHAN PUBLIC LIBRARIES  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended December 31, 2024**

**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

(c) Financial Instruments

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

Financial Instrument	Measurement Method
Cash	Amortized Cost
Accounts receivable	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost

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

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

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

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

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



# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## TOWNSHIP OF CAVAN MONAGHAN PUBLIC LIBRARIES NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Computers and software	3 years
Furniture and equipment	10 years
Books and audio-visuals	7 years

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

(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) Reserves and Reserve Funds

Certain amounts, as approved by the Board, 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.

(g) Inter-Entity Transactions

The Township of Cavan Monaghan Public Libraries is a Board of the Township of Cavan Monaghan and is consolidated with the Township'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 Township.

### 3. DEFERRED REVENUE

Deferred revenue consists of funding received from: the Township of Cavan Monaghan \$117,662 (2023 - \$112,299), the Province of Ontario \$5,200 (2023 - \$5,200), and the 2023-2024 Seniors Community Grant \$2,114 (2023 - \$6,094).

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## TOWNSHIP OF CAVAN MONAGHAN PUBLIC LIBRARIES NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

### 4. TANGIBLE CAPITAL ASSETS

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

	Books and audio- visuals \$	Furniture and equipment \$	Computers and software \$	2024 Totals \$	2023 Totals \$
<b>COST</b>					
Balance, beginning of year	168,856	96,187	57,751	322,794	343,658
Add: additions during the year	27,274	730	204	28,208	33,708
Less: disposals during the year	29,176	205	4,402	33,783	54,572
Balance, end of year	166,954	96,712	53,553	317,219	322,794
<b>ACCUMULATED AMORTIZATION</b>					
Balance, beginning of year	105,124	87,715	54,443	247,282	274,422
Add: additions during the year	23,850	1,729	1,722	27,301	27,432
Less: disposals during the year	29,176	205	4,402	33,783	54,572
Balance, end of year	99,798	89,239	51,763	240,800	247,282
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	67,156	7,473	1,790	76,419	75,512

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## TOWNSHIP OF CAVAN MONAGHAN PUBLIC LIBRARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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#### 5. 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 2024 Annual Report disclosed total actuarial liabilities of \$142,489 million in respect of benefits accrued for service with actuarial assets of \$139,576 million indicating an actuarial deficit of \$2,913 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 total contributions to OMERS in 2024 were \$49,478 (2023 - \$47,248) of which \$24,739 (2023 - 23,624) was contributed by employees.

#### 6. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024	2023
	\$	\$
<b>Surplus</b>		
Operations	15,050	9,744
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	76,419	75,512
<b>Surplus</b>	91,469	85,256
<b>Reserves</b>		
Working fund	-	2,068
Donation and fundraising reserve	13,688	10,147
IT investment reserve	-	7,000
Future capital reserve	3,372	3,372
<b>Total Reserves</b>	17,060	22,587
<b>Reserve Fund</b>		
New Initiatives	22	12
	108,551	107,855

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

**TOWNSHIP OF CAVAN MONAGHAN PUBLIC LIBRARIES  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended December 31, 2024**

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**7. INTER-ENTITY TRANSACTIONS**

During the year, the Board entered into transactions with the Township of Cavan-Monaghan.

As part of the budgeting process, the Township 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:

	2024	2023
	\$	\$
Allocated costs:		
Occupancy	26,502	26,935
Audit, insurance, payroll and IT	14,935	14,517
	41,437	41,452

**8. COMMITMENT**

During 2023, the Board entered into an equipment operating lease agreement with monthly payments of \$198 plus HST starting December 31, 2023 through to November 30, 2028.

**9. CHANGES IN ACCOUNTING POLICIES**

The Board has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the Board's financial statements.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'. The adoption of this standard did not have an impact on the Board's financial statements.

Under PSG-8, an entity may recognize purchased intangibles as an asset in its consolidated financial statements if the intangible meets the asset definition and the general recognition criteria. The adoption of this standard did not have an impact on the Board's financial statements.

**10. COMPARATIVE FIGURES**

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

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## TOWNSHIP OF CAVAN MONAGHAN PUBLIC LIBRARIES NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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### 11. BUDGET FIGURES

The budget, approved by the Board differs from the budget reflected on the Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Board's approved budget to the annual surplus/(deficit):

	2024
	\$
Board approved budgeted surplus	-
Tangible capital asset additions	27,000
Amortization of tangible capital assets	(27,432)
Transfers to/(from) reserves and reserve funds	(19,956)
<b>Annual surplus/(deficit) reported on the Statement of Operations</b>	<b>(20,388)</b>

**CORPORATION OF THE TOWNSHIP OF CAVAN  
MONAGHAN**

**MILLBROOK BUSINESS IMPROVEMENT AREA BOARD**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

**INDEPENDENT AUDITOR'S REPORT****To the Members of the Millbrook Business Improvement Area Board, the Members of Council, Inhabitants and Ratepayers of the Township of Cavan Monaghan****T: (705) 742-3418**  
**F: (705) 742-9775****[www.bakertilly.ca](http://www.bakertilly.ca)***Qualified Opinion*

We have audited the financial statements of the Millbrook Business Improvement Area Board of the Corporation of the Township of Cavan Monaghan (the Millbrook Business Improvement Area), which comprise the statement of financial position as at December 31, 2024, 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 Millbrook Business Improvement Area as at December 31, 2024, 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 Municipal boards, the Millbrook Business Improvement Area derives revenue from donations, fundraising and sponsorship, 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 Millbrook Business Improvement Area. Therefore, we were not able to determine whether any adjustments might be necessary to donations, fundraising and sponsorship revenue, annual surplus/(deficit) and cash flows from operations for the years ended December 31, 2024 and 2023, and assets and accumulated surplus as at December 31, 2024 and 2023. Our opinion on the financial statements for the year ended December 31, 2023 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 Millbrook Business Improvement Area in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Millbrook 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 Millbrook 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 Millbrook 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 Millbrook 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 Millbrook 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 Millbrook 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  
December 17, 2025

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## MILLBROOK BUSINESS IMPROVEMENT AREA BOARD

### STATEMENT OF FINANCIAL POSITION

At December 31, 2024

	2024	2023
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	59,217	49,490
Due from Township of Cavan Monaghan (note 6)	10,676	19,816
<b>TOTAL FINANCIAL ASSETS</b>	<b>69,893</b>	<b>69,306</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	726	3,341
<b>NET FINANCIAL ASSETS</b>	<b>69,167</b>	<b>65,965</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 3)	2,124	2,503
Prepaid expenses	232	-
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>2,356</b>	<b>2,503</b>
<b>ACCUMULATED SURPLUS (note 4)</b>	<b>71,523</b>	<b>68,468</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## MILLBROOK BUSINESS IMPROVEMENT AREA BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2024

	Budget 2024 \$ (note 5)	Actual 2024 \$	Actual 2023 \$
<b>REVENUES</b>			
Township of Cavan Monaghan - tax levy	16,000	16,000	14,318
Donations, fundraising and sponsorships	11,550	24,619	36,777
<b>TOTAL REVENUES</b>	<b>27,550</b>	<b>40,619</b>	<b>51,095</b>
<b>EXPENSES</b>			
Administration	2,900	1,583	2,274
Christmas in the Village	2,000	6,607	1,924
Professional fees	7,850	7,877	4,418
Ladies night	2,150	904	2,584
Decoration	8,020	7,233	9,706
Amortization	378	378	378
Car show	200	200	201
Contracted services	7,312	7,700	6,590
BIA dinner	500	372	153
Fesitvals	-	1,579	8,101
Advertising and promotion	2,500	1,731	1,655
Donations and honoraria	200	1,400	200
<b>TOTAL EXPENSES</b>	<b>34,010</b>	<b>37,564</b>	<b>38,184</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>(6,460)</u></b>	<b>3,055</b>	<b>12,911</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>68,468</b>	<b>55,557</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>71,523</b>	<b>68,468</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## MILLBROOK BUSINESS IMPROVEMENT AREA BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2024

	Budget 2024 \$ (note 5)	Actual 2024 \$	Actual 2023 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(6,460)	3,055	12,911
Amortization of tangible capital assets	378	379	378
Change in prepaid expenses	-	(232)	431
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(6,082)	3,202	13,720
<b>NET FINANCIAL ASSETS - beginning of year</b>	65,965	65,965	52,245
<b>NET FINANCIAL ASSETS - end of year</b>	59,883	69,167	65,965

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

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## MILLBROOK BUSINESS IMPROVEMENT AREA BOARD

### STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024

	2024	2023
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	3,055	12,911
Items not involving cash		
Amortization of tangible capital assets	379	378
Change in non-cash assets and liabilities		
Due from Township of Cavan Monaghan	9,140	(5,120)
Prepaid expenses	(232)	431
Accounts payable and accrued liabilities	(2,615)	3,341
<b>NET CHANGE IN CASH</b>	<b>9,727</b>	<b>11,941</b>
<b>CASH - beginning of year</b>	<b>49,490</b>	<b>37,549</b>
<b>CASH - end of year</b>	<b>59,217</b>	<b>49,490</b>

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

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## MILLBROOK BUSINESS IMPROVEMENT AREA BOARD

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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#### 1. NATURE OF OPERATIONS

The Millbrook Business Improvement Area Board (the "Board") is controlled by the Council of the Township of Cavan Monaghan. The Board's goal is promoting the Millbrook downtown business area.

#### 2. 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 Millbrook 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.

The Board recognizes Business Improvement Area tax levy revenue annually based on the tax rate levied by the Township of Cavan Monaghan and the assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. 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.

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.

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

##### (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.

**CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN**

**MILLBROOK BUSINESS IMPROVEMENT AREA BOARD  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended December 31, 2024**

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**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

(c) Financial Instruments

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

Financial Instrument	Measurement Method
Cash	Amortized Cost
Due from Township of Cavan Monaghan	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost

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

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

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

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

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



# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## MILLBROOK BUSINESS IMPROVEMENT AREA BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (d) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Signs	4 years
Benches	20 years
Bicycle racks	15 years

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

#### (e) Inter-Entity Transactions

The Millbrook Business Improvement Area Board is a Millbrook Business Improvement Area of the Township of Cavan Monaghan and is consolidated with the Township'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 Township.

### 3. TANGIBLE CAPITAL ASSETS

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

	Signs \$	Benches \$	Bicycle racks \$	2024 Totals \$	2023 Totals \$
<b>COST</b>					
Balance, beginning of year	4,322	4,642	2,193	11,157	11,157
Balance, end of year	4,322	4,642	2,193	11,157	11,157
<b>ACCUMULATED AMORTIZATION</b>					
Balance, beginning of year	4,322	3,016	1,316	8,654	8,276
Add: additions during the year	-	232	147	379	378
Balance, end of year	4,322	3,248	1,463	9,033	8,654
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	-	1,394	730	2,124	2,503

# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

**MILLBROOK BUSINESS IMPROVEMENT AREA BOARD  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended December 31, 2024**

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**4. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2024	2023
	\$	\$
<b>Surplus</b>		
Operations	69,399	65,965
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	2,124	2,503
	<b>71,523</b>	<b>68,468</b>

**5. BUDGET FIGURES**

The budget, approved by the Millbrook Business Improvement Area differs from the budget reflected on the Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Board's approved budget to the annual surplus/(deficit):

	2024
	\$
Millbrook Business Improvement Area approved budgeted surplus	-
Amortization of tangible capital assets	(378)
Board surplus/(deficit)	<b>(6,082)</b>
<b>Annual surplus/(deficit) reported on the Statement of Operations</b>	<b>(6,460)</b>

**6. INTER-ENTITY TRANSACTIONS**

During the year, the Millbrook Business Improvement Area entered into transactions with the Township of Cavan Monaghan.

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

In addition, the Township provides accounting and administrative services to the Millbrook Business Improvement Area at no cost.

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



# CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

## MILLBROOK BUSINESS IMPROVEMENT AREA BOARD

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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#### 7. CHANGE IN ACCOUNTING POLICY

The Millbrook Business Improvement Area has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the Board's financial statements.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'. The adoption of this standard did not have an impact on the Board's financial statements.

Under PSG-8, an entity may recognize purchased intangibles as an asset in its consolidated financial statements if the intangible meets the asset definition and the general recognition criteria. The adoption of this standard did not have an impact on the Board's financial statements.

#### 8. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the Millbrook Business Improvement Area 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.

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