CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

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CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

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MUNICIPALITY OF
BRIGHTON

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

For The Year Ended December 31, 2024

MANAGEMENT REPORT

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

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

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

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

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

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

February 24, 2026

Mayor   A/CAO

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 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 Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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
February 24, 2026

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CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2024

	2024 $	2023 $
FINANCIAL ASSETS		
Cash	8,986,475	12,422,630
Accounts receivable (note 6)	2,354,662	2,941,977
Taxes receivable	2,978,586	2,057,206
Inventory for resale	97,650	97,650
Assets held for sale (note 7)	295,637	335,798
TOTAL FINANCIAL ASSETS	14,713,010	17,855,261
LIABILITIES		
Accounts payable and accrued liabilities	3,884,414	5,166,250
Deferred revenue - obligatory reserve funds (note 9)	5,493,851	5,519,412
Deferred revenue - other (note 10)	1,778,459	1,693,037
Long term debt (note 11)	5,671,132	6,319,841
Asset retirement obligations (note 12)	2,050,000	2,050,000
TOTAL LIABILITIES	18,877,856	20,748,540
NET DEBT	(4,164,846)	(2,893,279)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	98,988,539	92,498,821
Inventories of materials and supplies	58,310	50,529
Prepaid expenses	1,303	2,140
TOTAL NON-FINANCIAL ASSETS	99,048,152	92,551,490
ACCUMULATED SURPLUS (note 13)	94,883,306	89,658,211

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2024

	Budget 2024 $ (note 15)	Actual 2024 $	Actual 2023 $
REVENUES			
Property taxation	12,363,119	13,121,542	12,196,861
User charges	5,968,185	6,019,612	5,826,106
Government of Canada	339,784	523,747	714,491
Province of Ontario	3,057,739	2,563,989	2,551,692
Other municipalities	-	-	25,107
Penalties and interest on taxes	270,000	321,696	315,315
Investment income	251,000	322,421	342,099
Donations	3,750	8,478	114,336
Contributed tangible capital assets	-	2,255,292	5,996,493
Gain/(loss) on assets held for sale	70,000	16,576	(3,503)
Development charges earned (note 9)	4,745,824	1,486,994	956,014
Parkland fees earned (note 9)	-	20,000	16,233
Canada Community-Building Fund earned (note 9)	505,000	-	278,204
TOTAL REVENUES	27,574,401	26,660,347	29,329,448
EXPENSES			
General government	2,469,213	2,648,401	2,336,743
Protection services	4,363,787	4,228,656	4,198,784
Transportation services	6,774,718	6,903,096	6,486,922
Environmental services	4,111,928	3,538,178	2,989,234
Health services	495,453	469,923	526,093
Recreation and cultural services	2,126,190	2,324,594	2,244,335
Planning and development	1,380,421	1,246,367	1,177,477
TOTAL EXPENSES	21,721,710	21,359,215	19,959,588
ANNUAL SURPLUS	5,852,691	5,301,132	9,369,860
ACCUMULATED SURPLUS - beginning of year		89,658,211	82,234,351
ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD		-	(1,946,000)
ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD (note 19)		(76,037)	-
ACCUMULATED SURPLUS - beginning of year, as restated		89,582,174	80,288,351
ACCUMULATED SURPLUS - end of year		94,883,306	89,658,211

The accompanying notes are an integral part of these financial statements

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CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended December 31, 2024

	Budget 2024 $ (note 15)	Actual 2024 $	Actual 2023 $
ANNUAL SURPLUS	5,852,691	5,301,132	9,369,860
Amortization of tangible capital assets	4,480,425	4,892,048	4,480,425
Purchase of tangible capital assets	(19,734,436)	(9,126,474)	(8,610,715)
Loss on disposal of tangible capital assets	-	-	115,350
Proceeds on sale of tangible capital assets	-	-	14,201
Contributed tangible capital assets	-	(2,255,292)	(5,996,493)
Change in inventories of materials and supplies	-	(7,781)	103,351
Change in prepaid expenses	-	837	11,752
CHANGE IN NET DEBT	(9,401,320)	(1,195,530)	(512,269)
NET DEBT - beginning of year	(2,893,279)	(2,893,279)	(331,010)
ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD	-	-	(2,050,000)
ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD (note 19)	-	(76,037)	-
NET DEBT - beginning of year, as restated	(2,893,279)	(2,969,316)	(2,381,010)
NET DEBT - end of year	(12,294,599)	(4,164,846)	(2,893,279)

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

	2024 $	2023 $
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	5,301,132	9,369,860
Items not involving cash		
Amortization of tangible capital assets	4,892,048	4,480,425
Loss on disposal of tangible capital assets	-	115,350
Contributed capital assets	(2,255,292)	(5,996,493)
Change in non-cash assets and liabilities		
Accounts receivable	587,315	(902,051)
Taxes receivable	(921,380)	37,965
Inventory for resale	-	(93,408)
Assets held for sale	40,161	-
Inventories of materials and supplies	(7,781)	103,352
Prepaid expenses	837	11,751
Accounts payable and accrued liabilities	(1,281,836)	431,364
Deferred revenue - obligatory reserve funds	(25,561)	185,842
Deferred revenue - other	9,385	69,087
Net change in cash from operating activities	6,339,028	7,813,044
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(9,126,474)	(8,610,715)
Proceeds on disposal of tangible capital assets	-	14,201
Acquisition of assets held for sale	-	(1,436)
Net change in cash from capital activities	(9,126,474)	(8,597,950)
FINANCING ACTIVITIES		
Debt principal repayments	(648,709)	(632,763)
NET CHANGE IN CASH	(3,436,155)	(1,417,669)
CASH - beginning of year	12,422,630	13,840,299
CASH - end of year	8,986,475	12,422,630

The accompanying notes are an integral part of these financial statements

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting Entity

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

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

- Brighton Downtown Business Improvement Area
- Brighton Public Library Board

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

(b) Trust Funds

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

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, 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	10-50 years
Buildings	15-50 years
Machinery and equipment	5-30 years
Vehicles	10 years
Roads and Bridges	10-75 years
Water and sewer systems	15-50 years

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of Revenues and Expenses

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

Taxation

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

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

Government funding

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

Other revenue

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

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 Municipality because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Municipality unless they are sold.

(f) Reserves and Reserve Funds

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

(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.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Use of Estimates

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

- The 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)

(i) Asset Retirement Obligation

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

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

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

The recognition of the 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).

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Financial Instruments

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

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

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

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

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

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

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

2. TRUST FUNDS

Trust funds administered by the Municipality amounting to $280,504 (2023 - $267,034) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

3. CREDIT FACILITY AGREEMENT

The Municipality has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to $4,000,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate less 0.5% per annum. Council authorized the temporary borrowing limit by By-law 005-2021. At December 31, 2024 there was no balance outstanding.

4. CONTINGENT LIABILITIES

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

5. COMPARATIVE FIGURES

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

6. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of:

	2024 $	2023 $
Government of Canada	328,145	679,522
Province of Ontario	444,636	751,539
County of Northumberland	56,958	55,504
School Boards	15,535	-
Water and sewer customer accounts	944,204	944,257
Other accounts receivable	614,587	560,558
Allowance for doubtful accounts	(49,403)	(49,403)
	2,354,662	2,941,977

7. ASSETS HELD FOR SALE

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

8. TANGIBLE CAPITAL ASSETS

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

	2024 $	2023 $
General		
Land	7,334,084	4,361,433
Land improvements	2,530,497	2,654,799
Buildings	11,853,302	11,546,969
Machinery and equipment	2,377,594	2,428,271
Vehicles	2,454,135	2,670,863
Infrastructure		
Roads and bridges	53,560,286	50,391,047
Water and sewer	16,888,610	14,476,827
Assets under construction	1,990,031	3,968,612
	98,988,539	92,498,821

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).

The tangible capital assets of $1,708,292 contributed in 2024 consisted of roads, sidewalks, and water sewer (2023 - $5,996,493) .

Tangible capital assets allocated by segment are as follows:

	2024 $	2023 $
General government	3,963,820	1,828,146
Protection services	2,716,407	2,924,270
Transportation services	58,550,302	55,395,087
Environmental services	24,861,033	23,960,296
Health services	2,251,552	2,293,480
Recreation and cultural services	6,645,425	6,097,542
	98,988,539	92,498,821

9. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

	2024 $	2023 $
Development charges	3,642,480	4,076,533
Canada Community-Building Fund	1,796,147	1,393,705
Parkland	55,224	49,174
	5,493,851	5,519,412

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

	2024 $	2023 $
Balance - beginning of year	5,519,412	5,333,570
Add amounts received:		
Development charges	880,903	735,829
Canada Community-Building Fund	386,529	391,966
Parkland	23,500	4,000
Interest earned	190,501	304,498
	1,481,433	1,436,293
Less transfer to operations:		
Development charges	1,486,994	956,014
Canada Community-Building Fund	-	278,204
Parkland	20,000	16,233
	1,506,994	1,250,451
Balance - end of year	5,493,851	5,519,412

10. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2024 $	2023 $
Ontario Community Infrastructure Fund	1,675,381	1,687,139
Building permits	91,919	-
Other	11,159	5,898
	1,778,459	1,693,037

The continuity of deferred revenue - other is as follows:

	2024 $	2023 $
Balance - beginning of year	1,693,037	1,623,950
Adjustment to opening balance (note 19)	76,037	-
Add amounts received:		
Ontario Community Infrastructure Fund	702,893	686,072
Building permits	272,804	-
Other	8,261	-
Interest	20,015	88,298
	1,003,973	774,370
Less transfer to operations:		
Ontario Community Infrastructure Fund	734,666	604,283
Building permits	256,922	-
Other	3,000	101,000
	994,588	705,283
Balance - end of year	1,778,459	1,693,037

11. 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 $
Interest-free long term loan maturing March 2026, repayable annually at $50,000 per year	84,456	134,456
Infrastructure Ontario debenture maturing April 2027, repayable in blended semi-annual instalments of $28,087, with interest at 2.69%	134,975	186,463
Long term bank loan maturing August 2030, repayable in blended monthly instalments of $7,247, with interest at 2.72%	456,346	529,777
Long term bank loan maturing August 2030, repayable in blended monthly instalments of $12,540 with interest at 2.72%	789,553	916,622
Infrastructure Ontario debenture maturing April 2032, repayable in blended semi-annual instalments of $114,596 with interest at 3.13%	1,521,545	1,698,937
Infrastructure Ontario debenture maturing August 2034, repayable in blended semi-annual instalments of $50,127, with interest at 2.65%	875,645	951,190
Infrastructure Ontario debenture maturing December 2039, repayable in blended semi-annual instalments of $74,176, with interest at 2.81%	1,808,612	1,902,396
	5,671,132	6,319,841

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

(c) Interest paid during the year on long term debt amounted to $172,707 (2023 - $188,663).

11. LONG TERM DEBT, continued

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

	Principal $	Interest $	Total $
2025	667,854	153,563	821,417
2026	670,042	135,831	805,873
2027	625,742	117,588	743,330
2028	615,286	99,957	715,243
2029	633,044	82,199	715,243
2030 and subsequent years	2,459,164	260,201	2,719,365
	5,671,132	849,339	6,520,471

12. ASSET RETIREMENT OBLIGATION

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

(a) Asbestos obligation
The Municipality owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, the Municipality recognized an obligation relating to the removal of the asbestos in these building as estimated at January 1, 2023.

(b) Gravel pits
The Municipality has several gravel pits that are currently not in use. The liability for the closure of these sites and the costs to return the property to their original state has been recognized under PS 3280 – Asset Retirement Obligations. The costs were based on presently known obligations that will exist at the estimated year of closure of the sites.

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

Asset Retirement Obligation	Asbestos removal $	Gravel pits $	Total 2024 $	Total 2023 $
Opening balance	104,000	1,946,000	2,050,000	-
Adjustment on adoption of the asset retirement obligation standard	-	-	-	2,050,000
Opening balance, as restated	104,000	1,946,000	2,050,000	2,050,000
Closing balance	104,000	1,946,000	2,050,000	2,050,000

13. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024 $	2023 $
Surplus/(Deficit)		
Municipality	3,057,385	935,100
Inventory held for resale	(96,910)	(96,910)
Brighton Downtown Business Improvement Area	18,762	15,075
Brighton Public Library Board	64,843	94,939
	3,044,080	948,204
Invested In Capital Assets		
Tangible capital assets - net book value	98,988,539	92,498,821
Long term debt	(5,671,132)	(6,319,841)
Unfunded capital (see below)	(8,339,455)	(4,535,222)
Unfunded asset retirement obligation	(2,050,000)	(2,050,000)
	82,927,952	79,593,758
Surplus	85,972,032	80,541,962
Reserves		
Reserves	3,886,070	4,114,490
Reserve Funds		
Reserve funds	5,025,204	5,001,759
	94,883,306	89,658,211

Unfunded capital is comprised of:

	2024 $	2023 $
Protection services	(2,148,283)	(2,189,284)
Transportation services	(1,285,919)	(1,520,811)
Environmental services	(1,259,070)	-
Health services	(228,314)	(289,361)
Recreation and cultural services	(147,848)	(191,415)
Planning and development	(3,270,021)	(344,351)
	(8,339,455)	(4,535,222)

14. PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 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 Municipality does not recognize any share of the OMERS pension surplus or deficit.

The Municipality's total contributions to OMERS in 2024 were $1,050,974 (2023 - $860,558) of which $525,487 (2023 - $430,279) was contributed by employees.

15. BUDGET FIGURES

The budget, approved by the Municipality 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	19,734,436
Amortization of tangible capital assets	(4,480,425)
Long term debt proceeds	(5,281,689)
Principal repayment of long term debt	712,898
Transfers to/(from) reserves and reserve funds	(4,532,113)
Change in unfunded capital	(292,416)
Annual surplus reported on the Consolidated Statement of Operations	5,860,691

16. EXPENSES BY OBJECT

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

	Budget 2024 $ (note 15)	Actual 2024 $	Actual 2023 $
Salaries and benefits	8,591,283	8,269,142	7,317,447
Interest charges	171,019	172,707	188,663
Materials	4,201,280	4,181,198	4,103,321
Contracted services	3,464,831	3,250,128	3,002,000
Rents and financial	113,864	5,496	10,632
External transfers	699,008	588,496	741,750
Amortization	4,480,425	4,892,048	4,480,425
Loss (gain) on disposal of tangible capital assets	-	-	115,350
	21,721,710	21,359,215	19,959,588

17. COMMITMENTS

The Municipality has entered into a commitment with Brighton YMCA to contribute $310,000 over an eight year period, commencing in 2024. Remaining commitment at December 31, 2024 is $271,250.

Subsequent to year end, the Municipality entered into an agreement for the construction of a wastewater treatment plant with an estimated costs of $50,122,781 plus HST.

18. FINANCIAL INSTRUMENTS

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

(a) Interest rate risk

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

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

19. CHANGES IN ACCOUNTING POLICIES

The Municipality 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 Municipality's consolidated 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'.

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

- An increase of $76,037 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 Municipality's consolidated financial statements.

20. SEGMENTED INFORMATION

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

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

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

General Government

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

Protection Services

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

Transportation Services

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

Environmental Services

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

Health Services

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

Recreation and Cultural Services

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

Planning and Development

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

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

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

	General					Infrastructure			
	Land $	Land Improvements $	Buildings $	Machinery and Equipment $	Vehicles $	Roads and Bridges $	Water and Sewer $	Assets Under Construction $	Totals $
COST									
Balance, beginning of year	4,361,433	4,958,450	18,353,922	5,900,861	5,998,015	87,092,179	25,936,227	3,968,612	156,569,699
Add: additions during the year	2,972,651	183,661	909,164	532,460	230,611	5,447,742	3,084,058	(1,978,581)	11,381,766
Less: disposals during the year	-	-	-	49,369	55,135	-	-	-	104,504
Balance, end of year	7,334,084	5,142,111	19,263,086	6,383,952	6,173,491	92,539,921	29,020,285	1,990,031	167,846,961
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	2,303,651	6,806,953	3,472,590	3,327,152	36,701,132	11,459,400	-	64,070,878
Add: additions during the year	-	307,963	602,831	583,137	447,339	2,278,503	672,275	-	4,892,048
Less: disposals during the year	-	-	-	49,369	55,135	-	-	-	104,504
Balance, end of year	-	2,611,614	7,409,784	4,006,358	3,719,356	38,979,635	12,131,675	-	68,858,422
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	7,334,084	2,530,497	11,853,302	2,377,594	2,454,135	53,560,286	16,888,610	1,990,031	98,988,539

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
For the Year Ended December 31, 2024

	General Government $	Protection Services $	Transportation Services $	Environmental Services $	Health Services $	Recreation and Cultural Services $	Planning and Development $	Consolidated $
Revenues								
Property taxation	751,193	3,510,041	5,859,854	-	264,891	1,754,253	981,310	13,121,542
User charges	173,716	194,928	104,450	4,328,370	257,802	295,692	664,654	6,019,612
Government transfers - operating	1,247,600	7,271	7,680	-	-	191,917	8,000	1,462,468
Government transfers - capital	-	-	734,667	870,601	-	20,000	-	1,625,268
Penalties and interest on taxes	321,696	-	-	-	-	-	-	321,696
Investment income	317,886	-	-	-	-	4,535	-	322,421
Donations	-	-	-	-	-	8,478	-	8,478
Contributed tangible capital assets	-	-	1,706,106	549,186	-	-	-	2,255,292
Gain/(loss) on assets held for sale	-	-	-	-	-	-	16,576	16,576
Development charges earned	39,954	-	332,041	1,008,328	-	106,671	-	1,486,994
Parkland fees earned	-	-	-	-	-	20,000	-	20,000
Total revenues	2,852,045	3,712,240	8,744,798	6,756,485	522,693	2,401,546	1,670,540	26,660,347
Expenses								
Salaries and benefits	1,662,104	1,359,637	2,149,139	1,080,544	13,006	1,277,009	727,703	8,269,142
Interest charges	28,038	-	69,276	35,329	26,531	13,533	-	172,707
Materials	514,428	313,450	1,681,515	638,930	207,370	581,564	243,941	4,181,198
Contracted services	129,378	1,954,803	226,033	752,390	16,740	48,769	122,015	3,250,128
Rents and financial	-	-	-	5,496	-	-	-	5,496
External transfers	-	213,560	59,866	-	155,621	21,741	137,708	588,496
Amortization	314,453	372,206	2,797,267	965,489	50,655	391,978	-	4,892,048
Internal transfers	-	15,000	(80,000)	60,000	-	(10,000)	15,000	-
Total expenses	2,648,401	4,228,656	6,903,096	3,538,178	469,923	2,324,594	1,246,367	21,359,215
Net surplus/(deficit)	203,644	(516,416)	1,841,702	3,218,307	52,770	76,952	424,173	5,301,132

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
For the Year Ended December 31, 2023

	General Government $	Protection Services $	Transportation Services $	Environmental Services $	Health Services $	Recreation and Cultural Services $	Planning and Development $	Consolidated $
Revenues								
Property taxation	1,548,072	3,111,847	4,292,900	-	205,257	1,891,688	1,147,097	12,196,861
User charges	72,136	104,866	194,802	4,283,933	270,876	302,749	596,744	5,826,106
Government transfers - operating	1,166,907	25,920	-	-	-	178,956	-	1,371,783
Government transfers - capital	-	-	604,283	1,281,917	-	8,200	-	1,894,400
Other municipalities	-	-	25,107	-	-	-	-	25,107
Penalties and interest on taxes	315,315	-	-	-	-	-	-	315,315
Investment income	338,181	-	-	-	-	3,918	-	342,099
Donations	-	-	-	-	-	114,336	-	114,336
Contributed tangible capital assets	-	-	4,214,232	1,761,671	-	20,590	-	5,996,493
Gain/(loss) on assets held for sale	-	-	-	-	-	-	(3,503)	(3,503)
Development charges earned	17,068	37,649	564,287	65,719	22,121	238,972	10,198	956,014
Parkland fees earned	-	-	-	-	-	16,233	-	16,233
Canada Community-Building Fund earned	-	-	278,204	-	-	-	-	278,204
Total revenues	3,457,679	3,280,282	10,173,815	7,393,240	498,254	2,775,642	1,750,536	29,329,448
Expenses								
Salaries and benefits	1,480,620	1,261,042	1,856,793	869,039	13,739	1,193,420	642,794	7,317,447
Interest charges	29,436	-	76,778	39,843	27,135	15,471	-	188,663
Materials	602,585	373,278	1,644,129	569,693	164,599	534,252	214,785	4,103,321
Contracted services	93,208	1,993,277	181,489	574,363	20,943	47,610	91,110	3,002,000
Rents and financial	5,335	-	-	5,250	-	47	-	10,632
External transfers	-	187,807	53,930	-	248,388	37,837	213,788	741,750
Amortization	125,559	376,480	2,675,867	848,569	51,289	402,661	-	4,480,425
Loss (gain) on disposal of tangible capital assets	-	(8,100)	77,936	22,477	-	23,037	-	115,350
Internal transfers	-	15,000	(80,000)	60,000	-	(10,000)	15,000	-
Total expenses	2,336,743	4,198,784	6,486,922	2,989,234	526,093	2,244,335	1,177,477	19,959,588
Net surplus/(deficit)	1,120,936	(918,502)	3,686,893	4,404,006	(27,839)	531,307	573,059	9,369,860

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INDEPENDENT AUDITOR'S REPORT

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

Opinion
We have audited the financial statements of the Trust Fund of the Corporation of the Municipality of Brighton (the Trust Fund), which comprise the statement of financial position as at December 31, 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 Fund as at December 31, 2024, and the continuity of the Trust Fund for the year then ended in accordance with Canadian Public Sector Accounting Standards.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
February 24, 2026

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CORPORATION OF THE MUNICIPALITY OF BRIGHTON

TRUST FUND
STATEMENT OF FINANCIAL POSITION
At December 31, 2024

	2024 $	2023 $
FINANCIAL ASSETS		
Cash	270,097	273,344
Due from Municipality	10,407	-
	280,504	273,344
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to Municipality	-	6,310
FUND BALANCE	280,504	267,034
	280,504	273,344

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

	2024 $	2023 $
BALANCE - beginning of year	267,034	259,734
RECEIPTS		
Sale of plots and niches	10,290	5,310
Interest	14,189	13,600
Scattering grounds	120	90
Monument care	3,060	1,900
	27,659	20,900
EXPENSES		
Transfer to Cemetery	14,189	13,600
BALANCE - end of year	280,504	267,034

The accompanying notes are an integral part of these financial statements

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

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA

FINANCIAL STATEMENTS

DECEMBER 31, 2024

bakertilly

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INDEPENDENT AUDITOR'S REPORT

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

Opinion
We have audited the financial statements of the Brighton Downtown Business Improvement Area of the Corporation of the Municipality of Brighton (the Business Improvement Area), which comprise the statement of financial position as at December 31, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the 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 Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Business Improvement Area in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Those charged with governance are responsible for overseeing the Business Improvement Area's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
February 24, 2026

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
At December 31, 2024

	2024 $	2023 $
FINANCIAL ASSETS		
Cash	23,057	15,895
Accounts receivable	3,794	4,152
Due from Municipality (note 4)	-	5,000
TOTAL FINANCIAL ASSETS	26,851	25,047
LIABILITIES		
Accounts payable	4,906	9,972
Due to the Municipality of Brighton (note 4)	3,183	-
TOTAL LIABILITIES	8,089	9,972
NET FINANCIAL ASSETS	18,762	15,075
ACCUMULATED SURPLUS (note 2)	18,762	15,075

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2024

	Budget 2024 $ (note 3)	Actual 2024 $	Actual 2023 $
REVENUES			
Municipal funding	49,000	49,000	52,800
EXPENSES			
Administration	9,000	4,869	5,592
Advertising and promotion	11,500	14,033	12,258
Area development	14,000	17,977	14,176
Professional fees	2,000	1,909	1,806
Special events	12,500	6,525	15,688
TOTAL EXPENSES	49,000	45,313	49,520
ANNUAL SURPLUS	-	3,687	3,280
ACCUMULATED SURPLUS - beginning of year		15,075	11,795
ACCUMULATED SURPLUS - end of year		18,762	15,075

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2024

	Budget 2024 $ (note 3)	Actual 2024 $	Actual 2023 $
ANNUAL SURPLUS	-	3,687	3,280
INCREASE IN NET FINANCIAL ASSETS	-	3,687	3,280
NET FINANCIAL ASSETS - beginning of year	15,075	15,075	11,795
NET FINANCIAL ASSETS - end of year	15,075	18,762	15,075

The accompanying notes are an integral part of these financial statements

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CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON DOWNTOWN BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

	2024 $	2023 $
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	3,687	3,280
Change in non-cash assets and liabilities		
Accounts receivable	358	1,413
Due from Municipality	5,000	(5,000)
Accounts payable	(5,066)	5,305
Due to the Municipality of Brighton	3,183	-
NET CHANGE IN CASH	7,162	4,998
CASH - beginning of year	15,895	10,897
CASH - end of year	23,057	15,895

The accompanying notes are an integral part of these financial statements

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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. Significant aspects of the accounting policies adopted by the Business Improvement Area are as follows:

(a) Recognition of Revenue and Expenses

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

(b) Use of Estimates

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

(c) Financial Instruments

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

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

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

(d) Inter-Entity Transactions

The Brighton Downtown Business Improvement Area is a Board of the Municipality of Brighton and is consolidated with the Municipality's financial statements.

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

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

2. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024 $	2023 $
Surplus		
Operations	18,762	15,075
	18,762	15,075

3. BUDGET FIGURES

The operating budget, approved by the Board, for 2024 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements.

4. INTER-ENTITY TRANSACTIONS

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

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

5. FINANCIAL INSTRUMENTS

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

(a) Credit risk

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

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

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

6. CHANGES IN ACCOUNTING POLICIES

The 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.

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion
We have audited the financial statements of the Brighton Public Library Board of the Corporation of the Municipality of Brighton (the Library), which comprise the statement of financial position as at December 31, 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 Library 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 Library derives revenue from donations, fundraising, fees, and book sales, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Library. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, annual surplus/(deficit) and cash flows from operations for the years ended December 31, 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 Library in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
October 10, 2025

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CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2024

	2024 $	2023 $
FINANCIAL ASSETS		
Cash	91,591	116,658
Investments (note 2)	77,185	83,035
Accounts receivable	6,140	10,093
TOTAL FINANCIAL ASSETS	174,916	209,786
LIABILITIES		
Accounts payable	14,475	22,614
NET FINANCIAL ASSETS	160,441	187,172
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	298,033	304,625
Prepaid expenses	1,303	2,140
TOTAL NON-FINANCIAL ASSETS	299,336	306,765
ACCUMULATED SURPLUS (note 5)	459,777	493,937

Approved on behalf of the Library:

Heather B _______ Director

C.E.O.

_______ Director

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2024

	Budget 2024 $ (note 10)	Actual 2024 $	Actual 2023 $
REVENUES			
Municipal Contributions	653,434	649,934	654,635
Province of Ontario	29,639	29,639	29,639
Government of Canada	1,985	-	-
Other grants	4,350	7,902	4,359
Investment income	1,000	4,535	3,918
Donations and fundraising	3,000	7,136	12,137
Fees	4,250	6,362	5,228
Book sales	3,500	3,731	3,441
Miscellaneous	150	586	720
Contributed capital	-	-	20,590
Brighton Digital Archives - municipal contributions	15,000	15,000	17,466
Brighton Digital Archives - donations and fundraising	-	1,342	6,835
TOTAL REVENUES	716,308	726,167	758,968
EXPENSES			
Salaries and benefits	481,808	499,982	446,270
Amortization	64,060	67,822	64,060
Supplies	26,254	33,297	40,924
Professional fees	5,000	9,006	6,065
Travel	2,352	1,722	2,139
Technology	25,836	21,024	22,593
Communication	3,393	3,523	3,766
Outreach programs	4,139	4,205	4,434
Professional development	4,174	3,801	5,307
Promotion and fundraising	1,841	1,854	1,683
Service charges	-	277	-
Space and services - paid to township	100,000	100,000	100,000
Brighton Digital Archives	13,721	13,814	13,083
TOTAL EXPENSES	732,578	760,327	710,324
ANNUAL SURPLUS/(DEFICIT)	(16,270)	(34,160)	48,644
ACCUMULATED SURPLUS - beginning of year		493,937	445,293
ACCUMULATED SURPLUS - end of year		459,777	493,937

The accompanying notes are an integral part of these financial statements

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CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2024

	Budget 2024 $ (note 10)	Actual 2024 $	Actual 2023 $
ANNUAL SURPLUS/(DEFICIT)	(16,270)	(34,160)	48,644
Amortization of tangible capital assets	64,060	67,822	64,060
Acquisition of tangible capital assets	(55,790)	(61,230)	(63,452)
Contributed tangible capital assets	-	-	(20,590)
Change in prepaid expenses	-	837	7,121
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(8,000)	(26,731)	35,783
NET FINANCIAL ASSETS - beginning of year	187,172	187,172	151,389
NET FINANCIAL ASSETS - end of year	179,172	160,441	187,172

The accompanying notes are an integral part of these financial statements

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CORPORATION OF THE MUNICIPALITY OF BRIGHTON

BRIGHTON PUBLIC LIBRARY BOARD
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

	2024 $	2023 $
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	(34,160)	48,644
Items not involving cash		
Amortization of tangible capital assets	67,822	64,060
Contributed tangible capital assets	-	(20,590)
Change in non-cash assets and liabilities		
Accounts receivable	3,953	(1,041)
Prepaid expenses	837	7,121
Accounts payable	(8,139)	(2,442)
Net change in cash from operating activities	30,313	95,752
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(61,230)	(84,042)
INVESTING ACTIVITIES		
Disposal of investments	159,822	180,781
Purchase of investments	(153,972)	(183,035)
Net change in cash from investing activities	5,850	(2,254)
NET CHANGE IN CASH	(25,067)	9,456
CASH - beginning of year	96,068	86,612
CASH - end of year	71,001	96,068

The accompanying notes are an integral part of these financial statements

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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. Significant aspects of the accounting policies adopted by the Library are as follows:

(a) Recognition of revenue and expenses

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

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

(b) Use of estimates

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

1. 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
Investments	Amortized Cost
Accounts receivable	Amortized Cost
Accounts payable	Amortized Cost

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

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

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

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

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

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

Computer hardware and furniture	5-15 years
Books and periodicals	7 years
Brighton digital archives	5 years

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

(e) Non-financial assets

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

(f) Government funding

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

(g) Reserve funds

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

(h) Inter-entity transactions

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

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

2. INVESTMENTS

Investments consist of:

	2024 $	2023 $
Guaranteed investment certificate bearing interest at 4.5%, maturing on December 11, 2024	-	51,822
Guaranteed investment certificate bearing interest at 4.5%, maturing on December 11, 2024	-	31,213
Guaranteed investment certificate bearing interest at 2.5%, maturing on December 11, 2025	53,972	-
Guaranteed investment certificate bearing interest at 4.5%, maturing on January 20, 2025	23,213	-
	77,185	83,035

3. FINANCIAL INSTRUMENTS

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

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

(a) Interest rate risk

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

(b) Credit risk

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

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

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

4. TANGIBLE CAPITAL ASSETS

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

	Books and Periodicals $	Computer Hardware and Furniture $	BDA Computer Hardware and Furniture $	2024 Totals $	2023 Totals $
COST					
Balance, beginning of year	365,436	205,383	22,366	593,185	553,686
Add: additions during the year	47,694	12,443	1,093	61,230	84,042
Less: disposals during the year	-	826	-	826	44,543
Balance, end of year	413,130	217,000	23,459	653,589	593,185
ACCUMULATED AMORTIZATION					
Balance, beginning of year	192,715	93,610	2,235	288,560	269,043
Add: additions during the year	47,901	15,339	4,582	67,822	64,060
Less: disposals during the year	-	826	-	826	44,543
Balance, end of year	240,616	108,123	6,817	355,556	288,560
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	172,514	108,877	16,642	298,033	304,625

5. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024 $	2023 $
Surplus		
Operating Surplus	64,843	94,939
Invested In Capital Assets		
Net book value of tangible capital assets	298,033	304,625
Surplus	362,876	399,564
Reserve		
Brighton Digital Archives	13,746	11,218
Reserve Fund		
Future capital	83,155	83,155
	459,777	493,937

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6. INTER-ENTITY TRANSACTIONS

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

As part of the budgeting process, the Municipality approves a contribution to the Library and the Brighton digital archives which is identified on the Statement of Operations and Accumulated Surplus. The Municipality contributed $649,934 (2023 - $654,635) to help fund the operations of the Library in the year and $15,000 (2023 - $17,466) to help fund the operations of the Brighton digital archives.

The Library paid $30,310 (2023 - $32,999) to the Municipality to cover employee health insurance.

The Library paid $1,500 (2023 - $4,682) to the Municipality to cover information technology services.

The Library paid $5,000 (2023 - $Nil) to the Municipality for compensation review.

In addition, the Municipality provides spaces and services to the Library.

7. PENSION AGREEMENTS

Certain employees of the Library 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 Library does not recognize any share of the OMERS pension surplus or deficit.

The Library's total contributions to OMERS in 2024 were $73,414 (2023 - $63,614) of which $36,707 (2023 - 31,582) was contributed by employees.

8. CHANGE IN ACCOUNTING POLICY

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

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 Library'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 Library's financial statements.

9. COMPARATIVE FIGURES

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

10. BUDGET FIGURES

The operating budget, approved by the Library, for 2024 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements.

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

	2024 $
Library approved budgeted surplus	-
Tangible capital asset additions	55,790
Amortization of tangible capital assets	(64,060)
Transfers to/(from) reserves	(8,000)
Annual surplus/(deficit) reported on the Statement of Operations	(16,270)