

CORPORATION OF THE TOWNSHIP OF SELWYN

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

CORPORATION OF THE TOWNSHIP OF SELWYN

CONSOLIDATED FINANCIAL STATEMENTS

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CORPORATION OF THE TOWNSHIP OF SELWYN

For The Year Ended December 31, 2024

MANAGEMENT REPORT

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

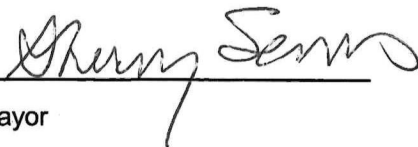
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen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

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

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

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

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



Mayor



Treasurer

April 28, 2026

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

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2024, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario

May 1, 2026



CORPORATION OF THE TOWNSHIP OF SELWYN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2024

| | 2024 | 2023 |
|--|-------------------|-------------------|
| | \$ | \$ |
| FINANCIAL ASSETS | | |
| Cash | 5,029,309 | 5,667,557 |
| Investments (note 3) | 19,041,369 | 18,159,664 |
| Accounts receivable | 2,539,605 | 1,651,983 |
| Taxes receivable | 2,981,917 | 2,351,338 |
| Inventories held for resale | 15,369 | 8,207 |
| TOTAL FINANCIAL ASSETS | 29,607,569 | 27,838,749 |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 4,377,507 | 3,691,845 |
| Deferred revenue - obligatory reserve funds (note 4) | 1,040,487 | 835,936 |
| Deferred revenue - other (note 5) | 798,461 | 470,066 |
| Long-term debt (note 6) | 221,875 | 329,417 |
| Asset retirement obligation (note 7) | 4,729,800 | 4,595,500 |
| Employee future benefits payable (note 8) | 1,301,600 | 1,356,000 |
| TOTAL LIABILITIES | 12,469,730 | 11,278,764 |
| NET FINANCIAL ASSETS | 17,137,839 | 16,559,985 |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (note 9) | 75,211,084 | 72,406,861 |
| | 92,348,923 | 88,966,846 |
| Comprised of: | | |
| Accumulated surplus (note 10) | 92,376,966 | 89,150,927 |
| Accumulated remeasurement gains/(losses) | (28,043) | (184,081) |
| | 92,348,923 | 88,966,846 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SELWYN

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 | 12,238,356 | 12,403,426 | 11,803,156 |
| User charges | 5,833,646 | 6,187,812 | 5,688,929 |
| Government of Canada | 869,585 | 673,332 | 637,031 |
| Province of Ontario | 2,529,758 | 2,402,603 | 2,050,758 |
| Other municipalities | 172,875 | 196,745 | 167,266 |
| Penalties and interest on taxes | 300,000 | 372,474 | 319,913 |
| Investment income | 1,007,465 | 1,154,399 | 1,237,162 |
| Donations | 9,500 | 10,318 | 11,120 |
| Contributed tangible capital assets (note 9) | - | 507,279 | - |
| Other grants | - | 3,911 | 218,292 |
| Development charges earned (note 4) | 46,662 | 17,865 | 214,277 |
| Canada Community-Building Fund earned (note 4) | 594,882 | 594,882 | 969,337 |
| TOTAL REVENUES | 23,602,729 | 24,525,046 | 23,317,241 |
| EXPENSES | | | |
| General government | 2,971,000 | 2,873,491 | 2,475,546 |
| Protection services | 6,006,429 | 5,821,590 | 5,792,545 |
| Transportation services | 4,861,703 | 4,765,960 | 4,621,384 |
| Environmental services | 4,046,288 | 3,811,610 | 3,150,415 |
| Recreation and cultural services | 3,124,955 | 3,329,536 | 3,017,066 |
| Planning and development | 718,290 | 534,420 | 603,815 |
| TOTAL EXPENSES | 21,728,665 | 21,136,607 | 19,660,771 |
| ANNUAL SURPLUS | 1,874,064 | 3,388,439 | 3,656,470 |
| ACCUMULATED SURPLUS - beginning of year | | 89,150,927 | 85,494,457 |
| ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD (note 19) | | (162,400) | - |
| ACCUMULATED SURPLUS - beginning of year, as restated | | 88,988,527 | 85,494,457 |
| ACCUMULATED SURPLUS - end of year | | 92,376,966 | 89,150,927 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SELWYN

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended December 31, 2024

| | 2024 | 2023 |
|--|-----------------|------------------|
| | \$ | \$ |
| ACCUMULATED REMEASUREMENT LOSSES - beginning of year | (184,081) | - |
| Adjustment on adoption of the financial instruments standard | - | (335,178) |
| Unrealized gain/(loss) on portfolio investments during the year | 199,315 | 194,826 |
| Realized gain/(loss) on portfolio investments reclassified to operations | (43,277) | (43,729) |
| ACCUMULATED REMEASUREMENT LOSSES - end of year | (28,043) | (184,081) |

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2024

| | Budget 2024 \$ (note 15) | Actual 2024 \$ | Actual 2023 \$ |
|---|-----------------------------------|----------------------|----------------------|
| ANNUAL SURPLUS | 1,874,064 | 3,388,439 | 3,656,470 |
| Amortization of tangible capital assets | 2,972,753 | 3,348,556 | 3,310,775 |
| Purchase of tangible capital assets | (6,855,686) | (5,679,314) | (6,046,791) |
| Loss/(gain) on disposal of tangible capital assets | - | 17,718 | (149,113) |
| Proceeds on sale of tangible capital assets | - | 16,096 | 389,155 |
| Contributed tangible capital assets | - | (507,279) | - |
| INCREASE/(DECREASE) IN NET FINANCIAL ASSETS | (2,008,869) | 584,216 | 1,160,496 |
| NET FINANCIAL ASSETS - beginning of year | 16,559,985 | 16,559,985 | 19,981,870 |
| ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD | - | - | (4,398,300) |
| ADJUSTMENT ON ADOPTION OF THE FINANCIAL INSTRUMENTS STANDARD | - | - | (335,178) |
| ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD (note 19) | - | (162,400) | - |
| NET FINANCIAL ASSETS - beginning of year, as restated | 16,559,985 | 16,397,585 | 15,248,392 |
| INCREASE IN ACCUMULATED REMEASUREMENT GAINS | - | 156,038 | 151,097 |
| NET FINANCIAL ASSETS - end of year | 14,551,116 | 17,137,839 | 16,559,985 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SELWYN

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024

| | 2024 | 2023 |
|---|--------------------|--------------------|
| | \$ | \$ |
| CASH PROVIDED BY (USED IN) | | |
| OPERATING ACTIVITIES | | |
| Annual surplus | 3,388,439 | 3,656,470 |
| Items not involving cash | | |
| Amortization of tangible capital assets | 3,348,556 | 3,310,775 |
| Loss/(gain) on disposal of tangible capital assets | 17,718 | (149,113) |
| Contributed capital assets | (507,279) | - |
| Accretion expense | 143,500 | 128,700 |
| Change in landfill closure and post-closure liability | - | (505,500) |
| Recognition of asset retirement obligation for closed landfill site | - | 68,500 |
| Change in employee future benefits payable | (54,400) | (50,600) |
| Change in non-cash assets and liabilities | | |
| Accounts receivable | (887,622) | 142,114 |
| Taxes receivable | (630,579) | (379,011) |
| Inventories held for resale | (7,162) | (1,041) |
| Accounts payable and accrued liabilities | 685,662 | (121,684) |
| Deferred revenue - obligatory reserve funds | 204,551 | (509,736) |
| Deferred revenue - other | 165,995 | (19,274) |
| Asset retirement obligations - remediation costs incurred | (9,200) | - |
| Net change in cash from operating activities | 5,858,179 | 5,570,600 |
| CAPITAL ACTIVITIES | | |
| Purchase of tangible capital assets | (5,679,314) | (6,046,791) |
| Proceeds on disposal of tangible capital assets | 16,096 | 389,155 |
| Net change in cash from capital activities | (5,663,218) | (5,657,636) |
| INVESTING ACTIVITIES | | |
| Purchase of investments | (1,465,152) | (14,764,439) |
| Redemption of investments | 739,485 | 13,732,936 |
| Net change in cash from investing activities | (725,667) | (1,031,503) |
| FINANCING ACTIVITIES | | |
| Debt principal repayments | (107,542) | (105,339) |
| NET CHANGE IN CASH | (638,248) | (1,223,878) |
| CASH - beginning of year | 5,667,557 | 6,891,435 |
| CASH - end of year | 5,029,309 | 5,667,557 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SELWYN

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting Entity

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

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

- Selwyn 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 Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) Investment

The investments are carried at cost and are adjusted for any permanent decrease in value.

(d) Tangible Capital Assets

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

| | |
|-------------------------|-----------------|
| Facilities | 25 to 60 years |
| Roadways | 5 to 60 years |
| Water and sewer | 15 to 100 years |
| Vehicles and equipment | 5 to 20 years |
| Solar systems | 20 years |
| Land - landfill AROs | 14 years |
| Land - gravel pits AROs | 20 years |

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

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

CORPORATION OF THE TOWNSHIP OF SELWYN

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

Government 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 and development charges are recognized in the period in which the related expenditures are recorded.

Contributed tangible capital assets are recognized as revenue in the year the amounts are received and they can be reasonably determined.

(f) Non-financial Assets

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

(g) Reserves and Reserve Funds

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

CORPORATION OF THE TOWNSHIP OF SELWYN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) 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.

(i) Use of Estimates

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

- 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(j) and related costs added to tangible capital assets - See Note 1(d)
- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(d)
- Employee future amounts payable depend on certain actuarial and economic assumptions
- Allowance for doubtful accounts receivable is based in management's estimate of future collectibility

(j) 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 closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several assets and the remediation of the three gravel pits operated by the Township has also been recognized based on estimated future expenses for remediation or disposal.

The landfill liability is discounted using a present value calculation, and adjusted yearly for accretion expense and any amounts paid. 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 (d).

CORPORATION OF THE TOWNSHIP OF SELWYN

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(k) 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: | |
| Federal bonds | Fair Value |
| HISA | Amortized Cost |
| Accounts receivable | Amortized Cost |
| Taxes receivable | Amortized Cost |
| Accounts payable and accrued liabilities | Amortized Cost |
| Long-term debt | Amortized Cost |

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

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

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

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

CORPORATION OF THE TOWNSHIP OF SELWYN

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

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF PETERBOROUGH

During 2024, requisitions were made by the County of Peterborough and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

| | School Boards \$ | County \$ |
|------------------------------------|------------------------|--------------|
| Amounts requisitioned and remitted | 6,691,780 | 14,604,273 |

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

3. INVESTMENTS

Investments consist of the following:

| | Level (note 1(k)) | 2024 \$ | 2023 \$ |
|--|----------------------|------------|------------|
| Investments held at amortized cost | | | |
| High interest savings account | 1 | 14,693,115 | 14,000,110 |
| Investments held at market | | | |
| Government bonds, interest rates from 1.40% to 3.65%, maturing from December 2025 to June 2033 | 1 | 4,348,254 | - |
| Government bonds, interest rates from 1.40% to 3.75%, maturing from June 2024 to June 2031 | 1 | - | 4,159,554 |
| | | 4,348,254 | 4,159,554 |
| | | 19,041,369 | 18,159,664 |

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

CORPORATION OF THE TOWNSHIP OF SELWYN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

4. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

| | 2024 | 2023 |
|---------------------|-----------|---------|
| | \$ | \$ |
| Development charges | 285,087 | 116,379 |
| Parkland fees | 755,400 | 719,557 |
| | 1,040,487 | 835,936 |

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

| | 2024 | 2023 |
|---|-----------|-----------|
| | \$ | \$ |
| Balance - beginning of year | 835,936 | 1,345,672 |
| Add amounts received: | | |
| Development charges received | 178,270 | 75,159 |
| Parkland fees received | 13,841 | 9,786 |
| Canada Community-Building Fund received | 594,882 | 564,585 |
| Interest received | 30,305 | 24,348 |
| | 817,298 | 673,878 |
| Less transfer to operations: | | |
| Development charges earned | 17,865 | 214,277 |
| Canada Community-Building Fund earned | 594,882 | 969,337 |
| | 612,747 | 1,183,614 |
| Balance - end of year | 1,040,487 | 835,936 |

CORPORATION OF THE TOWNSHIP OF SELWYN

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

5. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

| | 2024 | 2023 |
|---------------------------------------|----------------|----------------|
| | \$ | \$ |
| Ontario Community Infrastructure Fund | 640,061 | 422,066 |
| Building permits | 158,400 | - |
| Other | - | 48,000 |
| | <u>798,461</u> | <u>470,066</u> |

The continuity of deferred revenue - other is as follows:

| | 2024 | 2023 |
|---|----------------|----------------|
| | \$ | \$ |
| Balance - beginning of year | 470,066 | 489,340 |
| Adjustment to opening balance (note 19) | 162,400 | - |
| Add amounts received: | | |
| Ontario Community Infrastructure Fund | 304,404 | 358,122 |
| Community Transportation Grant Program | - | 319,631 |
| Building permits | 505,309 | - |
| Interest received | 22,265 | - |
| Other | 12,000 | 128,764 |
| | <u>843,978</u> | <u>806,517</u> |
| Less transfer to operations: | | |
| Ontario Community Infrastructure Fund | 108,674 | 335,575 |
| Community Transportation Grant Program | - | 319,631 |
| Building permits | 509,309 | - |
| Other | 60,000 | 170,585 |
| | <u>677,983</u> | <u>825,791</u> |
| Balance - end of year | <u>798,461</u> | <u>470,066</u> |

CORPORATION OF THE TOWNSHIP OF SELWYN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

6. 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 |
|--|------|------|
| | \$ | \$ |

Debenture from Ontario Infrastructure and Lands Corporation, repayable in blended semi-annual instalments of \$56,918 with interest at 2.08% per annum, due October 3, 2026.

| | |
|---------|---------|
| 221,875 | 329,417 |
|---------|---------|

- (b) The long-term debt in (a) issued in the name of the Township 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 \$6,296 (2023 - \$8,498).

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

| | Principal | Interest | Total |
|------|-----------|----------|---------|
| | \$ | \$ | \$ |
| 2025 | 109,790 | 4,047 | 113,837 |
| 2026 | 112,085 | 1,752 | 113,837 |
| | 221,875 | 5,799 | 227,674 |

CORPORATION OF THE TOWNSHIP OF SELWYN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

7. ASSET RETIREMENT OBLIGATION

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

(a) Landfill obligation

The Township owns two landfill sites, one closed and one operational site. The liability for the landfills has been recognized under PS 3280 – Asset Retirement Obligations. The costs have been estimated based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 25 years after the closure date using a discount rate of 4.5% and an inflation rate of 2.5%.

(b) Asbestos obligation

The Township owns and operates underground networks that are known to have asbestos, which represents a health hazard upon removal of the asset and there is a legal obligation to remove it. Following the adoption of PS 3280 - Asset Retirement Obligations, the Township recognized an obligation relating to the removal of the asbestos in these assets as estimated at January 1, 2023.

(c) Other

The Township owns and operates gravel pits. The liability for the closure of these sites and the costs to return the property to its 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:

| | Landfill obligation | Asbestos removal | Other | Total 2024 | Total 2023 |
|-------------------------------------|------------------------|---------------------|-----------|---------------|---------------|
| | \$ | \$ | \$ | \$ | \$ |
| Asset Retirement Obligation | | | | | |
| Opening balance | 3,178,700 | 274,900 | 1,141,900 | 4,595,500 | 4,466,800 |
| Closure/post-closure costs incurred | (9,200) | - | - | (9,200) | - |
| Accretion expense | 143,500 | - | - | 143,500 | 128,700 |
| Closing balance | 3,313,000 | 274,900 | 1,141,900 | 4,729,800 | 4,595,500 |

CORPORATION OF THE TOWNSHIP OF SELWYN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

8. EMPLOYEE FUTURE AMOUNTS PAYABLE

The Township provides certain employees benefits that will require funding in future periods.

| | 2024 | 2023 |
|---|------------------|------------------|
| | \$ | \$ |
| Accrued benefit obligation | 930,400 | 935,700 |
| Unamortized actuarial gain | 371,200 | 420,300 |
| Employee future benefits payable | 1,301,600 | 1,356,000 |

The Township sponsors benefit plans to pay costs of extended health, vision benefits and dental for eligible employees after they retire. All benefits are provided upon retirement and continue for a period of 10 years, but not beyond the age of 65, at which time the benefits cease. In the event of the death of a former eligible employee, the benefit coverage continues to the surviving spouse for a period of 2 years. The accrued benefit obligation also includes the succession management plan benefit that can be obtained by employees if they provide the Township with 6 months' notice before retirement. The plans are not funded by the Township until paid.

The actuarial valuation as at December 31, 2022 was based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases and employee turnover and mortality. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group, which was 15 years. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

| | |
|---|--------|
| Expected inflation rate | 3.0% |
| Future health care premiums rates - first year 2022 | 8.175% |
| - decreasing over 20 years to | 4.5% |
| Future dental care premiums rates - first year 2022 | 6.0% |
| - decreasing over 10 years to | 4.5% |
| Interest rate | 4.6% |

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

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$ | \$ |
| Current service costs | 62,900 | 60,100 |
| Amortized actuarial gain | (49,100) | (49,100) |
| Interest on accrued benefit obligation | 43,500 | 43,500 |
| Employee future benefits expense | 57,300 | 54,500 |

CORPORATION OF THE TOWNSHIP OF SELWYN

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

9. TANGIBLE CAPITAL ASSETS

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

| | 2024 | 2023 |
|---------------------------|------------|------------|
| | \$ | \$ |
| General | | |
| Land | 9,654,562 | 9,915,971 |
| Facilities | 17,660,092 | 16,042,964 |
| Vehicles and equipment | 5,469,600 | 4,665,669 |
| Infrastructure | | |
| Roadways | 20,090,174 | 18,352,892 |
| Water and sewer | 21,034,311 | 20,720,809 |
| Solar systems | 655,369 | 712,708 |
| | 74,564,108 | 70,411,013 |
| Assets under construction | 646,976 | 1,995,848 |
| | 75,211,084 | 72,406,861 |

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 \$507,279 contributed in 2024 consisted of streetlights and sidewalks assumed by the Township. During 2023 there were no contributed assets.

Tangible capital assets allocated by segment are as follows:

| | 2024 | 2023 |
|----------------------------------|------------|------------|
| | \$ | \$ |
| General government | 4,058,169 | 5,896,211 |
| Protection services | 4,807,427 | 3,080,625 |
| Transportation services | 26,280,234 | 23,572,345 |
| Environmental services | 24,847,829 | 24,677,821 |
| Health services | 8,651 | 1 |
| Recreation and cultural services | 15,208,774 | 15,179,858 |
| | 75,211,084 | 72,406,861 |

CORPORATION OF THE TOWNSHIP OF SELWYN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

10. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

| | 2024 | 2023 |
|--|--------------------|--------------------|
| | \$ | \$ |
| Surplus/(Deficit) | | |
| Lakefield-Smith Community Centre | (18,091) | (36,972) |
| Fire services | - | (53,298) |
| Ennismore arena | (7,486) | (34,465) |
| Unfunded employee future benefits | (1,301,600) | (1,356,000) |
| | <u>(1,327,177)</u> | <u>(1,480,735)</u> |
| Invested In Capital Assets | | |
| Tangible capital assets - net book value | 75,211,084 | 72,406,861 |
| Long-term debt | (221,875) | (329,417) |
| Unfunded asset retirement obligations | (4,729,800) | (4,595,500) |
| Unfunded capital projects - see (b) below | (387,529) | (142,978) |
| | <u>69,871,880</u> | <u>67,338,966</u> |
| Surplus | <u>68,544,703</u> | <u>65,858,231</u> |
| Reserves | | |
| General government - operating | 192,808 | 235,938 |
| General government - capital | 4,457,189 | 3,922,246 |
| Protection to persons and property - operating | 2,942,768 | 3,157,952 |
| Protection to persons and property - capital | 921,084 | 728,917 |
| Transportation services - operating | 641,221 | 521,358 |
| Transportation services - capital | 1,987,684 | 3,391,565 |
| Environmental services - operating | 679,048 | 613,687 |
| Environmental services - capital | 9,672,997 | 8,510,573 |
| Environmental services - landfill | 125,991 | 58,435 |
| Health services - operating | 56,655 | 58,755 |
| Recreation and cultural services - operating | 83,950 | 127,132 |
| Recreation and cultural services - capital | 1,010,810 | 929,312 |
| Planning and development - operating | 169,738 | 213,552 |
| Planning and development - capital | 275,095 | 279,400 |
| Total Reserves | <u>23,217,038</u> | <u>22,748,822</u> |

CORPORATION OF THE TOWNSHIP OF SELWYN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

10. ACCUMULATED SURPLUS, continued

| | 2024 | 2023 |
|--|----------------|----------------|
| | \$ | \$ |
| Reserve Funds | | |
| For acquisition of recreation and cultural services capital assets | 519,410 | 454,282 |
| Parking | 95,815 | 89,592 |
| Total Reserve Funds | 615,225 | 543,874 |
| | 92,376,966 | 89,150,927 |

(b) Unfunded capital projects consist of:

| | 2024 | 2023 |
|--------------|------------------|------------------|
| | \$ | \$ |
| Boat rentals | (16,467) | (16,467) |
| Docks | (126,511) | (126,511) |
| Campground | (244,551) | - |
| | (387,529) | (142,978) |

11. 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 | 8,151,508 | 7,653,689 | 6,939,506 |
| Interest charges | 6,296 | 6,296 | 8,498 |
| Materials | 5,338,037 | 5,110,711 | 4,706,469 |
| Contracted services | 4,905,879 | 4,441,954 | 4,305,939 |
| Rents and financial | 161,811 | 257,750 | 247,492 |
| External transfers | 364,881 | 299,933 | 291,205 |
| Amortization | 2,972,753 | 3,348,556 | 3,310,775 |
| Loss (gain) on disposal of tangible capital assets | (172,500) | 17,718 | (149,113) |
| | 21,728,665 | 21,136,607 | 19,660,771 |

12. COMPARATIVE FIGURES

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

CORPORATION OF THE TOWNSHIP OF SELWYN

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

13. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$500,000 via an overdraft or demand note. Any balance borrowed will accrue interest at the bank’s prime lending rate. Council authorized the temporary borrowing limit by By-law 2024-002. At December 31, 2024 there was no balance outstanding (2023 - \$Nil).

14. TRUST FUNDS

Trust fund administered by the Township amounting to \$45,713 (2023 - \$45,758) has not been included in the Consolidated Statement of Financial Position nor has its operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

15. BUDGET FIGURES

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

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

| | 2024 |
|--|------------------|
| | \$ |
| Council approved budgeted surplus | - |
| Tangible capital asset additions | 6,855,686 |
| Amortization of tangible capital assets | (2,972,753) |
| Change in unfinanced capital | (670,000) |
| Principal repayment of long term debt | 107,541 |
| Transfers to/(from) reserves and reserve funds | (1,446,410) |
| Annual surplus reported on the Consolidated Statement of Operations | 1,874,064 |

16. PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 2024 Annual Report disclosed total actuarial liabilities of \$142,489 million in respect of benefits accrued for service with actuarial assets of \$139,576 million indicating an actuarial deficit of \$2,913 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's total contributions to OMERS in 2024 were \$967,858 (2023 - \$917,556) of which \$483,929 (2023 - \$458,778) was contributed by employees.



CORPORATION OF THE TOWNSHIP OF SELWYN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

17. SEGMENTED INFORMATION

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

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

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

General Government

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

Protection Services

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

Transportation Services

The activities of the transportation function include construction and maintenance of the Township's roadways, winter control and street lighting.

Water and Sewer

This function is responsible for providing water and sewer services in specified areas of the Township.

Other Environmental Services

This function is responsible for providing waste collection and waste disposal services to ratepayers.

Recreation and Cultural Services

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

Planning and Development

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

CORPORATION OF THE TOWNSHIP OF SELWYN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

18. FINANCIAL INSTRUMENTS

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

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

(a) 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 organization is low and is not material.

(c) Market risk

The Township is exposed to certain market risks including changes in pricing and limited access to foreign markets.

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

CORPORATION OF THE TOWNSHIP OF SELWYN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

19. CHANGES IN ACCOUNTING POLICIES

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

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the Township'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 Township reflected the following adjustments at January 1, 2024:

- An increase of \$162,400 to deferred revenue - other and corresponding decrease to accumulated surplus related to the estimated unearned portion of building permit fees due to outstanding performance obligations at December 31, 2023.

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

CORPORATION OF THE TOWNSHIP OF SELWYN

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2024

| | General | | | Infrastructure | | | Assets Under Construction | Totals |
|--|-------------------|-------------------|------------------------|-------------------|-------------------|------------------|---------------------------|--------------------|
| | Land | Facilities | Vehicles and Equipment | Roadways | Water and Sewer | Solar Systems | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| COST | | | | | | | | |
| Balance, beginning of year | 10,186,030 | 23,273,539 | 11,957,301 | 45,183,694 | 30,875,097 | 1,146,771 | 1,995,848 | 124,618,280 |
| Add: additions during the year | 8,650 | 196,654 | 1,460,684 | 2,308,074 | 856,821 | - | 1,355,710 | 6,186,593 |
| Less: disposals during the year | - | 59,656 | 113,835 | - | 17,912 | - | - | 191,403 |
| Transfers | - | 1,907,862 | - | 738,017 | 58,703 | - | (2,704,582) | - |
| Balance, end of year | 10,194,680 | 25,318,399 | 13,304,150 | 48,229,785 | 31,772,709 | 1,146,771 | 646,976 | 130,613,470 |
| ACCUMULATED AMORTIZATION | | | | | | | | |
| Balance, beginning of year | 270,059 | 7,230,575 | 7,291,632 | 26,830,802 | 10,154,288 | 434,063 | - | 52,211,419 |
| Add: additions during the year | 270,059 | 457,560 | 656,754 | 1,308,809 | 598,035 | 57,339 | - | 3,348,556 |
| Less: disposals during the year | - | 29,828 | 113,836 | - | 13,925 | - | - | 157,589 |
| Balance, end of year | 540,118 | 7,658,307 | 7,834,550 | 28,139,611 | 10,738,398 | 491,402 | - | 55,402,386 |
| NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | 9,654,562 | 17,660,092 | 5,469,600 | 20,090,174 | 21,034,311 | 655,369 | 646,976 | 75,211,084 |

CORPORATION OF THE TOWNSHIP OF SELWYN

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2024

| | General Government \$ | Protection Services \$ | Transportation Services \$ | Water and Sewer \$ | Other Environmental Services \$ | Recreation and Cultural Services \$ | Planning and Development \$ | Consolidated \$ |
|---|-----------------------------|------------------------------|----------------------------------|-----------------------|--|---|-----------------------------------|--------------------|
| Revenues | | | | | | | | |
| Property taxation | 2,457,812 | 4,870,290 | 2,886,118 | - | 575,263 | 1,449,756 | 164,187 | 12,403,426 |
| User charges | 253,315 | 643,389 | 375,720 | 2,853,330 | 611,535 | 1,342,195 | 108,328 | 6,187,812 |
| Government transfers - operating | 557,320 | 102,825 | 1,098,049 | 80,215 | - | 252,367 | - | 2,090,776 |
| Government transfers - capital | - | - | 279,978 | 705,181 | - | - | - | 985,159 |
| Other municipalities | - | 191,086 | 5,659 | - | - | - | - | 196,745 |
| Penalties and interest on taxes | 372,474 | - | - | - | - | - | - | 372,474 |
| Investment income | 754,934 | - | - | 380,531 | - | 18,934 | - | 1,154,399 |
| Donations | - | - | - | - | - | 10,318 | - | 10,318 |
| Contributed tangible capital assets | - | - | 507,279 | - | - | - | - | 507,279 |
| Other grants | 1,453 | - | - | - | - | 2,458 | - | 3,911 |
| Development charges earned | 7,770 | 3,092 | (2,989) | - | - | 9,992 | - | 17,865 |
| Canada Community-Building Fund earned | - | - | 594,882 | - | - | - | - | 594,882 |
| Total revenues | 4,405,078 | 5,810,682 | 5,744,696 | 4,019,257 | 1,186,798 | 3,086,020 | 272,515 | 24,525,046 |
| Expenses | | | | | | | | |
| Salaries and benefits | 1,979,376 | 1,372,596 | 1,577,220 | 358,711 | 314,141 | 1,661,833 | 389,812 | 7,653,689 |
| Interest charges | 6,296 | - | - | - | - | - | - | 6,296 |
| Materials | 726,017 | 920,722 | 1,424,137 | 544,201 | 332,832 | 1,116,053 | 46,749 | 5,110,711 |
| Contracted services | 102,463 | 2,912,534 | 116,270 | 767,988 | 399,638 | 74,342 | 68,719 | 4,441,954 |
| Rents and financial | 58,294 | 41,403 | - | 366 | 150,008 | 7,374 | 305 | 257,750 |
| External transfers | 33,531 | 256,997 | - | - | - | - | 9,405 | 299,933 |
| Amortization | 121,808 | 244,748 | 1,664,429 | 638,153 | 239,312 | 440,106 | - | 3,348,556 |
| Loss (gain) on disposal of tangible capital assets | - | - | (16,096) | 3,986 | - | 29,828 | - | 17,718 |
| Internal transfers | (154,294) | 72,590 | - | 62,274 | - | - | 19,430 | - |
| Total expenses | 2,873,491 | 5,821,590 | 4,765,960 | 2,375,679 | 1,435,931 | 3,329,536 | 534,420 | 21,136,607 |
| Net surplus/(deficit) | 1,531,587 | (10,908) | 978,736 | 1,643,578 | (249,133) | (243,516) | (261,905) | 3,388,439 |

CORPORATION OF THE TOWNSHIP OF SELWYN

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2023

| | General Government \$ | Protection Services \$ | Transportation Services \$ | Water and Sewer \$ | Other Environmental Services \$ | Recreation and Cultural Services \$ | Planning and Development \$ | Consolidated \$ |
|---|-----------------------------|------------------------------|----------------------------------|-----------------------|--|---|-----------------------------------|--------------------|
| Revenues | | | | | | | | |
| Property taxation | 2,259,187 | 4,712,944 | 2,850,261 | - | 552,581 | 1,238,578 | 189,605 | 11,803,156 |
| User charges | 226,185 | 603,568 | 195,548 | 2,662,282 | 659,060 | 1,239,822 | 102,464 | 5,688,929 |
| Government transfers - operating | 380,148 | 84,190 | 731,915 | 296,569 | - | 274,536 | - | 1,767,358 |
| Government transfers - capital | - | - | 261,595 | 88,410 | - | 570,426 | - | 920,431 |
| Other municipalities | - | 165,132 | 2,134 | - | - | - | - | 167,266 |
| Penalties and interest on taxes | 319,913 | - | - | - | - | - | - | 319,913 |
| Investment income | 859,595 | - | - | 359,295 | - | 18,272 | - | 1,237,162 |
| Donations | - | - | - | - | - | 11,120 | - | 11,120 |
| Other grants | 125,127 | - | - | - | - | 60,701 | 32,464 | 218,292 |
| Development charges earned | 43,353 | 50,181 | 32,885 | - | - | 87,858 | - | 214,277 |
| Canada Community-Building Fund earned | - | - | 969,337 | - | - | - | - | 969,337 |
| Total revenues | 4,213,508 | 5,616,015 | 5,043,675 | 3,406,556 | 1,211,641 | 3,501,313 | 324,533 | 23,317,241 |
| Expenses | | | | | | | | |
| Salaries and benefits | 1,791,698 | 1,324,697 | 1,505,343 | 80,658 | 323,009 | 1,490,985 | 423,116 | 6,939,506 |
| Interest charges | 8,498 | - | - | - | - | - | - | 8,498 |
| Materials | 630,509 | 956,799 | 1,458,818 | 317,024 | 269,305 | 1,036,063 | 37,951 | 4,706,469 |
| Contracted services | 131,757 | 2,895,455 | 61,545 | 1,097,168 | (47,074) | 69,065 | 98,023 | 4,305,939 |
| Rents and financial | 55,081 | 39,776 | 1,820 | 1,091 | 143,862 | 5,463 | 399 | 247,492 |
| External transfers | 17,405 | 248,064 | - | - | - | - | 25,736 | 291,205 |
| Amortization | 110,533 | 271,986 | 1,593,858 | 684,889 | 231,171 | 418,338 | - | 3,310,775 |
| Loss (gain) on disposal of tangible capital assets | (150,545) | - | - | 4,280 | - | (2,848) | - | (149,113) |
| Internal transfers | (119,390) | 55,768 | - | 45,032 | - | - | 18,590 | - |
| Total expenses | 2,475,546 | 5,792,545 | 4,621,384 | 2,230,142 | 920,273 | 3,017,066 | 603,815 | 19,660,771 |
| Net surplus/(deficit) | 1,737,962 | (176,530) | 422,291 | 1,176,414 | 291,368 | 484,247 | (279,282) | 3,656,470 |

INDEPENDENT AUDITOR'S REPORT**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Selwyn***Opinion*

We have audited the financial statements of the Trust Fund of the Corporation of the Township of Selwyn (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
May 1, 2026

CORPORATION OF THE TOWNSHIP OF SELWYN

TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2024

| | 2024 Ontario Home Renewal Program \$ | 2023 Ontario Home Renewal Program \$ |
|---------------------------|---|---|
| FINANCIAL ASSETS | | |
| Cash | 6,450 | 6,143 |
| Loans receivable (note 2) | 5,979 | 6,881 |
| Due from Township | 33,284 | 32,734 |
| | 45,713 | 45,758 |
| FUND BALANCE | 45,713 | 45,758 |

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

| | 2024 Ontario Home Renewal Program \$ | 2023 Ontario Home Renewal Program \$ |
|------------------------------------|---|---|
| BALANCE - beginning of year | 45,758 | 45,758 |
| RECEIPTS | | |
| Interest earned | 307 | 291 |
| EXPENSES | | |
| Administration fee | 352 | 291 |
| BALANCE - end of year | 45,713 | 45,758 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SELWYN

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

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

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

(b) Use of Estimates

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

2. ONTARIO HOME RENEWAL PROGRAM LOANS

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans are limited to \$7,500 of which the maximum forgivable is \$4,000. Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

Ontario Home Renewal Program loans receivable at December 31, 2024 are comprised of repayable loans of \$5,979 (2023 - \$6,881).

The Province of Ontario cancelled the Ontario Home Renewal Program as of July 16, 1993. As of that date, no new loans are to be issued and surplus funds are to be returned to the Province annually.

**CORPORATION OF THE TOWNSHIP OF
SELWYN**

SELWYN PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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

We have audited the financial statements of the Selwyn Public Library Board of the Corporation of the Township of Selwyn (the Board), which comprise the statement of financial position as at December 31, 2024, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

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

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

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

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

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

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

ASSURANCE • TAX • ADVISORY

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 1, 2026

CORPORATION OF THE TOWNSHIP OF SELWYN

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

| | 2024 | 2023 |
|--|---------|---------|
| | \$ | \$ |
| FINANCIAL ASSETS | | |
| Cash | 675 | 675 |
| Due from the Township of Selwyn (note 5) | 668,563 | 649,635 |
| NET FINANCIAL ASSETS | 669,238 | 650,310 |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (note 2) | 238,160 | 236,267 |
| ACCUMULATED SURPLUS (note 3) | 907,398 | 886,577 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SELWYN

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

| | Budget 2024 \$ (note 4) | Actual 2024 \$ | Actual 2023 \$ |
|--|----------------------------------|----------------------|----------------------|
| REVENUES | | | |
| Township of Selwyn contribution | | | |
| Levy (note 5) | 752,664 | 752,664 | 619,030 |
| Development charges earned | 8,944 | 9,992 | 8,141 |
| Provincial grants | 41,213 | 41,243 | 58,493 |
| Federal grants | 6,989 | 4,634 | - |
| Other grants | - | 2,458 | 2,500 |
| User charges | 25,000 | 39,572 | 26,110 |
| Fundraising | 37,500 | 56,558 | 33,019 |
| Interest income (note 5) | - | 18,934 | 18,272 |
| Donations | 4,500 | 5,768 | 3,240 |
| TOTAL REVENUES | 876,810 | 931,823 | 768,805 |
| EXPENSES | | | |
| Salaries and benefits | 613,981 | 631,644 | 538,420 |
| Materials, periodicals and audio | 11,500 | 11,763 | 10,619 |
| Office and administration | 104,970 | 91,020 | 94,025 |
| Insurance (note 5) | 14,544 | 14,567 | 13,458 |
| Maintenance and utilities | 54,585 | 54,221 | 57,553 |
| Fundraising | 16,000 | 23,824 | 17,370 |
| Equipment and furnishings | 46,275 | 21,289 | 12,450 |
| Amortization | 57,473 | 58,115 | 57,473 |
| Contribution to Township reserve | - | 4,559 | 3,714 |
| TOTAL EXPENSES | 919,328 | 911,002 | 805,082 |
| ANNUAL SURPLUS/(DEFICIT) | <u>(42,518)</u> | 20,821 | (36,277) |
| ACCUMULATED SURPLUS - beginning of year | | 886,577 | 922,854 |
| ACCUMULATED SURPLUS - end of year | | 907,398 | 886,577 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SELWYN

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

| | Budget 2024 \$ (note 4) | Actual 2024 \$ | Actual 2023 \$ |
|--|----------------------------------|----------------------|----------------------|
| ANNUAL SURPLUS/(DEFICIT) | (42,518) | 20,821 | (36,277) |
| Amortization of tangible capital assets | 57,473 | 58,115 | 57,473 |
| Acquisition of tangible capital assets | (63,000) | (60,008) | (58,563) |
| INCREASE/(DECREASE) IN NET FINANCIAL ASSETS | (48,045) | 18,928 | (37,367) |
| NET FINANCIAL ASSETS - beginning of year | 650,310 | 650,310 | 687,677 |
| NET FINANCIAL ASSETS - end of year | 602,265 | 669,238 | 650,310 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SELWYN

SELWYN 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) | 20,821 | (36,277) |
| Items not involving cash | | |
| Amortization of tangible capital assets | 58,115 | 57,473 |
| Change in non-cash assets and liabilities | | |
| Due from the Township of Selwyn | (18,928) | 37,467 |
| Net change in cash from operating activities | 60,008 | 58,663 |
| CAPITAL ACTIVITIES | | |
| Acquisition of tangible capital assets | (60,008) | (58,563) |
| NET CHANGE IN CASH | - | 100 |
| CASH - beginning of year | 675 | 575 |
| CASH - end of year | 675 | 675 |

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SELWYN

SELWYN PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of Revenue and Expenses

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

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

User charges, donations and fundraising are recorded as received, or as receivable if the amount can be reasonably determined and if collection is reasonably assured.

Interest income is recorded annually on the reserve and reserve fund balances based on an allocation from the Township using an annual average interest rate of 3.0% for 2024 and 2023.

(b) Use of Estimates

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

- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(d)

CORPORATION OF THE TOWNSHIP OF SELWYN

**SELWYN PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024**

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 |
| Due from the Township of Selwyn | Amortized Cost |

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

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

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

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

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

CORPORATION OF THE TOWNSHIP OF SELWYN

SELWYN PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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, 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:

| | |
|-------|---------|
| Books | 7 years |
|-------|---------|

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

(e) 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.

(f) Non-financial Assets

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

(g) Reserves and Reserve Funds

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

(h) Inter-Entity Transactions

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

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

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

CORPORATION OF THE TOWNSHIP OF SELWYN

SELWYN PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

2. TANGIBLE CAPITAL ASSETS

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

| | 2024 Books \$ | 2023 Books \$ |
|--|---------------------|---------------------|
| COST | | |
| Balance, beginning of year | 406,805 | 402,315 |
| Add: additions during the year | 60,008 | 58,563 |
| Less: disposals during the year | 54,938 | 54,073 |
| Balance, end of year | 411,875 | 406,805 |
| ACCUMULATED AMORTIZATION | | |
| Balance, beginning of year | 170,538 | 167,138 |
| Add: additions during the year | 58,115 | 57,473 |
| Less: disposals during the year | 54,938 | 54,073 |
| Balance, end of year | 173,715 | 170,538 |
| NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | 238,160 | 236,267 |

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

| | 2024 \$ | 2023 \$ |
|--|----------------|----------------|
| Invested In Capital Assets | | |
| Tangible capital assets - net book value | 238,160 | 236,267 |
| Surplus | 238,160 | 236,267 |
| Reserves | | |
| Working capital | 19,165 | 22,958 |
| Acquisition of capital assets | 393,258 | 378,017 |
| Total Reserves | 412,423 | 400,975 |
| Reserve Fund | | |
| Acquisition of capital assets | 256,815 | 249,335 |
| | 907,398 | 886,577 |

CORPORATION OF THE TOWNSHIP OF SELWYN

**SELWYN PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024**

4. BUDGET FIGURES

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

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

| | 2024 |
|---|-----------------|
| | \$ |
| Board approved budgeted surplus | - |
| Tangible capital asset additions | 63,000 |
| Amortization of tangible capital assets | (57,473) |
| Transfers to/(from) reserves and reserve funds | (48,045) |
| Annual surplus/(deficit) reported on the Statement of Operations | (42,518) |

5. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Selwyn.

The interest income reported on the Statement of Operations and Accumulated Surplus is an allocation from the Township in the amount of \$18,934 (2023 - \$18,272) on the reserve and reserve funds.

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

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

| | 2024 | 2023 |
|------------------|---------------|---------------|
| | \$ | \$ |
| Allocated costs: | | |
| Insurance | 14,567 | 13,458 |
| | 14,567 | 13,458 |

In addition, the following services are provided to the Board by the Township at no cost:

- Accounting and administrative services
- Professional services
- Rental of buildings

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



CORPORATION OF THE TOWNSHIP OF SELWYN

SELWYN PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2024

6. FINANCIAL INSTRUMENTS

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

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

7. CHANGES IN ACCOUNTING POLICIES

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

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

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

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