

**CORPORATION OF THE TOWNSHIP OF
HAVELOCK-BELMONT-METHUEN**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

**CORPORATION OF THE TOWNSHIP
OF HAVELOCK-BELMONT-METHUEN**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

For The Year Ended December 31, 2020

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Havelock-Belmont-Methuen are the responsibility of management and have been approved by Council.

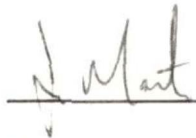
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen 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.

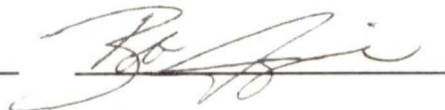
The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

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 Havelock-Belmont-Methuen. 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



CAO

July 12, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of the Council of the Corporation of the Township of Havelock-Belmont-Methuen

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of Havelock-Belmont-Methuen and its local boards (the Township), which comprise the consolidated statement of financial position as at December 31, 2020, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2020, 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.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Township to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
September 29, 2022

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash (note 3)	6,835,556	4,002,708
Investments (note 4)	8,405,531	8,119,708
Accounts receivable	352,768	876,250
Taxes receivable	574,217	517,397
Loans receivable (note 6)	5,100,000	610,000
TOTAL FINANCIAL ASSETS	21,268,072	14,126,063
LIABILITIES		
Loans payable (note 6)	5,100,000	610,000
Accounts payable and accrued liabilities	1,042,042	935,179
Deferred revenue - obligatory reserve funds (note 8)	469,224	599,080
Deferred revenue - other (note 7)	109,054	-
Landfill post-closure liability (note 5)	469,000	453,000
TOTAL LIABILITIES	7,189,320	2,597,259
NET FINANCIAL ASSETS	14,078,752	11,528,804
NON-FINANCIAL ASSETS		
Tangible capital assets (note 9)	29,657,033	30,314,819
Prepaid expenses	111,067	57,301
TOTAL NON-FINANCIAL ASSETS	29,768,100	30,372,120
ACCUMULATED SURPLUS (note 10)	43,846,852	41,900,924

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2020

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Property taxation	6,684,448	6,735,563	6,377,547
User charges	1,484,523	1,642,030	1,636,063
Government of Canada	-	4,200	-
Province of Ontario	2,049,440	1,584,697	3,837,591
Other municipalities	-	-	6,950
Penalties and interest on taxes	91,800	82,343	97,568
Investment income	70,000	332,994	188,960
Other	720	15,533	1,567
Parkland fees earned	14,370	34,253	25,629
Federal gas tax earned	285,000	244,385	-
TOTAL REVENUES	10,680,301	10,675,998	12,171,875
EXPENSES			
General government	1,427,995	1,342,715	1,391,795
Protection services	2,563,596	2,380,399	2,364,797
Transportation services	2,297,813	2,042,370	1,980,140
Environmental services	1,994,768	1,842,616	1,851,158
Health services	161,786	152,439	149,750
Recreation and cultural services	800,027	809,624	826,452
Planning and development	221,952	159,907	197,564
TOTAL EXPENSES	9,467,937	8,730,070	8,761,656
ANNUAL SURPLUS	<u>1,212,364</u>	1,945,928	3,410,219
ACCUMULATED SURPLUS - beginning of year		41,900,924	38,490,705
ACCUMULATED SURPLUS - end of year		43,846,852	41,900,924

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2020

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
ANNUAL SURPLUS	1,212,364	1,945,928	3,410,219
Amortization of tangible capital assets	1,621,327	1,701,890	1,621,439
Purchase of tangible capital assets	(1,922,879)	(1,046,718)	(2,733,359)
Loss/(gain) on disposal of tangible capital assets	-	2,614	225,913
Change in prepaid expenses	-	(53,766)	116,493
INCREASE IN NET FINANCIAL ASSETS	910,812	2,549,948	2,640,705
NET FINANCIAL ASSETS - beginning of year	11,528,804	11,528,804	8,888,099
NET FINANCIAL ASSETS - end of year	12,439,616	14,078,752	11,528,804

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2020

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	1,945,928	3,410,219
Items not involving cash		
Amortization of tangible capital assets	1,701,890	1,621,439
Loss on disposal of tangible capital assets	2,614	225,913
Change in landfill post-closure liability	16,000	178,000
Change in non-cash assets and liabilities		
Accounts receivable	523,482	(265,466)
Taxes receivable	(56,820)	87,210
Prepaid expenses	(53,766)	116,493
Accounts payable and accrued liabilities	106,863	87,986
Deferred revenue - obligatory reserve funds	(129,856)	266,775
Deferred revenue - other	109,054	(1,288,023)
Net change in cash from operating activities	4,165,389	4,440,546
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,046,718)	(2,733,359)
INVESTING ACTIVITIES		
Purchase of investments	(285,823)	(95,943)
Advances of loan receivable	(4,490,000)	(610,000)
Net change in cash from investing activities	(4,775,823)	(705,943)
FINANCING ACTIVITIES		
Proceeds of loan payable	4,490,000	610,000
NET CHANGE IN CASH	2,832,848	1,611,244
CASH - beginning of year	4,002,708	2,391,464
CASH - end of year	6,835,556	4,002,708

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

The Township of Havelock-Belmont-Methuen 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:

- Havelock-Belmont-Methuen Library Board
- Belmont-Methuen-Havelock Cemetery Board

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

(b) Tangible Capital Assets

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

Land improvements	25 to 40 years
Buildings	30 to 60 years
Equipment	5 to 35 years
Roads and bridges	10 to 40 years
Water and sewer	10 to 75 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 HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) 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, with the exception of building permits that are recognized when the permits are issued.

Investment income is recorded when earned.

Federal gas tax and parkland fees are recognized in the period in which the related expenditures are recorded.

(d) 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.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) 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.

(f) 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.

(g) Use of Estimates

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

- The amounts recorded for landfill post-closure care depend on estimates of post closure monitoring and maintenance;
- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF PETERBOROUGH

During 2020, 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	2,629,388	4,587,690

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

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

3. CASH

Cash is comprised of the following:

	2020	2019
	\$	\$
Unrestricted	6,574,810	3,765,915
Restricted funds	260,746	236,793
	6,835,556	4,002,708

4. INVESTMENTS

Investments, recorded at cost, consist of the following:

	Market value	Cost	Cost
	2020	2020	2019
	\$	\$	\$
ONE funds - corporate bond portfolio	4,352,576	4,262,305	4,118,926
ONE funds - equity portfolio	5,610,629	4,143,226	4,000,782
	9,963,205	8,405,531	8,119,708

5. LANDFILL POST-CLOSURE LIABILITY

The estimated liability for landfill closure and post-closure costs for the Township's three closed landfill sites using an inflation rate of 3.0% and a discount rate of 3.0% is \$469,000 (2019 - \$453,000). The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. A reserve of \$185,945 (2019 - \$134,792) has been provided for this liability with the remaining costs to be funded from taxation. There are no specific assets designated for settling this liability.

6. LOAN RECEIVABLE AND LOAN PAYABLE

The loan payable consists of a temporary construction loan with Ontario Infrastructure and Lands Corporation (OILC) The total loan amount will be provided in eight principal advance payments totalling \$5,100,000. Each advance shall bear interest at a floating rate per annum as determined by OILC.

This loan has been assumed by Peterborough Housing Corporation at an annual fixed interest rate of 2.24%. The balance outstanding of the principal advances as at December 31, 2020 is \$5,100,000 (2019 - \$610,000).

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

7. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2020	2019
	\$	\$
Safe Restart Agreement	92,162	-
Other	16,892	-
	109,054	-

The continuity of deferred revenue - other is as follows:

	2020	2019
	\$	\$
Balance - beginning of year	-	1,288,023
Add amounts received:		
Safe Restart Agreement	264,500	-
Other	16,892	-
	281,392	-
Less transfer to operations:		
Safe Restart Agreement	172,338	-
OCIF - Mathison Street	-	1,288,023
	172,338	1,288,023
Balance - end of year	109,054	-

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

8. 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:

	2020	2019
	\$	\$
Parkland	136,294	162,133
Federal gas tax	332,930	436,947
	469,224	599,080

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

	2020	2019
	\$	\$
Balance - beginning of year	599,080	332,305
Add amounts received:		
Parkland	1,000	1,000
Federal gas tax	137,423	284,168
Interest	10,359	7,236
	148,782	292,404
Less transfer to operations:		
Parkland fees earned	34,253	25,629
Federal gas tax earned	244,385	-
	278,638	25,629
Balance - end of year	469,224	599,080

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2020

9. TANGIBLE CAPITAL ASSETS

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

	2020	2019
	\$	\$
General		
Land	837,720	509,486
Land improvements	2,149,211	2,190,680
Buildings	8,781,278	9,175,801
Equipment	4,058,064	4,222,012
Infrastructure		
Roads and bridges	8,069,663	8,530,953
Water and sewer	5,348,037	5,352,701
	29,243,973	29,981,633
Assets under construction	413,060	333,186
	29,657,033	30,314,819

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

During the year there were no write-downs of assets (2019 - \$Nil) and no interest capitalized (2019 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2020	2019
	\$	\$
General government	823,886	781,341
Protection services	1,337,924	1,368,540
Transportation services	9,708,384	10,030,922
Environmental services	14,931,222	15,177,879
Health services	106,408	110,929
Recreation and cultural services	2,749,209	2,845,208
	29,657,033	30,314,819

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

10. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
Surplus/(Deficit)		
Unfunded landfill post-closure costs	(469,000)	(453,000)
Cemetery Board	97,765	98,343
	(371,235)	(354,657)
Invested In Capital Assets		
Tangible capital assets - net book value	29,657,033	30,314,819
Surplus	29,285,798	29,960,162
Reserves		
Working funds	917,176	947,063
Roads capital	768,359	587,935
Roads equipment	512,383	347,572
Roads village	326,960	308,326
Municipal elections	31,607	19,015
Environmental capital	185,945	134,792
Administration	5,637,017	4,262,435
Fire department	1,095,507	880,116
Building department equipment	438,999	395,845
Planning	292,712	180,432
Subdivider	4,855	4,855
Medical centre	47,998	33,223
Police services board	426,239	401,055
Parks/recreation/arena	634,951	546,958
Water maintenance	200,245	120,842
Sewer maintenance	397,213	379,624
General capital projects	967,087	863,047
Library	78,056	49,896
Total Reserves	12,963,309	10,463,031

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

10. ACCUMULATED SURPLUS, continued

	2020	2019
	\$	\$
Reserve Funds		
Fire	22,841	22,071
Water system	38,898	102,105
Sewer	1,493,976	1,312,929
General	38,295	37,018
Public accounts	3,735	3,608
Total Reserve Funds	1,597,745	1,477,731
	43,846,852	41,900,924

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 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
Salaries and benefits	2,838,480	2,612,655	2,476,272
Materials	2,256,872	1,847,256	1,737,338
Contracted services	2,472,616	2,285,168	2,445,495
Rents and financial	7,900	7,538	5,855
External transfers	270,742	272,949	249,344
Amortization	1,621,327	1,701,890	1,621,439
Loss/(gain) on disposal of tangible capital assets	-	2,614	225,913
	9,467,937	8,730,070	8,761,656

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

12. 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 2020 Annual Report disclosed total actuarial liabilities of \$113,055 million in respect of benefits accrued for service with actuarial assets of \$109,844 million indicating an actuarial deficit of \$3,211 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 required contributions to OMERS in 2020 were \$159,021 (2019 - \$152,386).

13. COMMITMENT

The Township has entered into a five year agreement for management, operations and maintenance services of the municipal water treatment facilities at an annual cost of \$356,830 for the first year and the remaining years will increase by 2% annually, plus any adjustment for maintaining the insurance. The term of the agreement is from January 1, 2021 to December 31, 2025.

14. CONTINGENT LIABILITIES

The Township, in the course of its operations, has been named in several lawsuits and a liability related to a past event, the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

15. TRUST FUNDS

Trust funds administered by the Township's Cemetery Board amounting to \$292,712 (2019 - \$287,233) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

16. 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 \$250,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate per annum. At December 31, 2020 there was no balance outstanding.

17. BUDGET FIGURES

The budget, approved by the Township, for 2020 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

18. SEGMENTED INFORMATION

The Township of Havelock-Belmont-Methuen 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.

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 roads and bridges, winter control and street lighting.

Water and Sewer

This function is responsible for providing water and sewer services to certain areas of the Township and is included in Environmental Services on the Consolidated Statement of Operations and Accumulated Surplus.

Environmental Services

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

Health Services

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

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and 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 HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

19. COMPARATIVE FIGURES

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

20. UNCERTAINTY CAUSED BY COVID-19

In March 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Township's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Township's operations. The extent of the impact of this outbreak and related containment measures on the Township's operations cannot be reliably estimated at this time.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2020

	General			Infrastructure		Totals		
	Land \$	Land Improvements \$	Buildings \$	Equipment \$	Roads and Bridges \$		Water and Sewer \$	Assets Under Construction \$
COST								
Balance, beginning of year	509,486	3,389,792	16,577,224	6,951,040	12,122,883	8,365,664	333,186	48,249,275
Add: additions during the year	328,234	24,086	60,204	207,581	214,917	131,822	79,874	1,046,718
Less: disposals during the year	-	-	-	19,505	5,167	-	-	24,672
Balance, end of year	837,720	3,413,878	16,637,428	7,139,116	12,332,633	8,497,486	413,060	49,271,321
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	1,199,112	7,401,423	2,729,028	3,591,930	3,012,963	-	17,934,456
Add: additions during the year	-	65,555	454,727	368,915	676,207	136,486	-	1,701,890
Less: disposals during the year	-	-	-	16,891	5,167	-	-	22,058
Balance, end of year	-	1,264,667	7,856,150	3,081,052	4,262,970	3,149,449	-	19,614,288
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	837,720	2,149,211	8,781,278	4,058,064	8,069,663	5,348,037	413,060	29,657,033

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2020

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	1,014,623	2,378,774	1,848,472	-	456,251	132,806	655,560	249,077	6,735,563
User charges	89,213	154,799	175,599	954,681	168,860	28,883	53,445	16,550	1,642,030
Government transfers - operating	1,402,952	71,828	-	-	52,144	-	54,748	7,225	1,588,897
Penalties and interest on taxes	82,343	-	-	-	-	-	-	-	82,343
Investment income	184,771	53,826	16,425	53,171	3,118	426	18,612	2,645	332,994
Other grants	15,522	-	-	-	-	-	11	-	15,533
Parkland fees earned	-	-	-	-	-	-	34,253	-	34,253
Federal gas tax earned	-	-	244,385	-	-	-	-	-	244,385
Total revenues	2,789,424	2,659,227	2,284,881	1,007,852	680,373	162,115	816,629	275,497	10,675,998
Expenses									
Salaries and benefits	894,461	528,741	503,575	33,647	158,878	7,133	388,422	97,798	2,612,655
Materials	291,069	207,077	494,954	462,205	76,577	62,550	232,826	19,998	1,847,256
Contracted services	85,877	1,270,207	213,607	355,699	228,831	70,735	18,101	42,111	2,285,168
Rents and financial	5,333	-	2,135	-	-	-	70	-	7,538
External transfers	-	265,449	-	-	-	7,500	-	-	272,949
Amortization	63,361	108,925	828,099	508,578	18,201	4,521	170,205	-	1,701,890
Loss (gain) on disposal of tangible capital assets	2,614	-	-	-	-	-	-	-	2,614
Total expenses	1,342,715	2,380,399	2,042,370	1,360,129	482,487	152,439	809,624	159,907	8,730,070
Net surplus/(deficit)	1,446,709	278,828	242,511	(352,277)	197,886	9,676	7,005	115,590	1,945,928

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2019

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	1,412,037	2,242,643	1,493,496	-	248,347	122,268	609,936	248,820	6,377,547
User charges	28,527	185,667	144,309	946,973	167,678	36,206	85,944	40,759	1,636,063
Government transfers - operating	1,958,668	22,499	-	-	-	-	20,773	5,668	2,007,608
Government transfers - capital	-	-	1,829,983	-	-	-	-	-	1,829,983
Other municipalities	-	6,950	-	-	-	-	-	-	6,950
Penalties and interest on taxes	97,568	-	-	-	-	-	-	-	97,568
Investment income	140,342	12,437	10,754	17,762	932	129	5,717	887	188,960
Other grants	-	-	-	-	-	-	1,567	-	1,567
Parkland fees earned	-	-	-	-	-	-	25,629	-	25,629
Total revenues	3,637,142	2,470,196	3,478,542	964,735	416,957	158,603	749,566	296,134	12,171,875
Expenses									
Salaries and benefits	871,775	510,956	437,403	41,665	144,267	7,000	374,460	88,746	2,476,272
Materials	401,341	203,546	520,254	205,206	65,467	60,568	259,531	21,425	1,737,338
Contracted services	64,464	1,298,570	182,650	347,051	381,119	70,161	14,087	87,393	2,445,495
Rents and financial	5,568	-	99	-	-	-	188	-	5,855
External transfers	-	241,844	-	-	-	7,500	-	-	249,344
Amortization	47,400	108,997	763,147	500,816	18,372	4,521	178,186	-	1,621,439
Loss (gain) on disposal of tangible capital assets	1,247	884	76,587	147,195	-	-	-	-	225,913
Total expenses	1,391,795	2,364,797	1,980,140	1,241,933	609,225	149,750	826,452	197,564	8,761,656
Net surplus/(deficit)	2,245,347	105,399	1,498,402	(277,198)	(192,268)	8,853	(76,886)	98,570	3,410,219

**CORPORATION OF THE TOWNSHIP OF
HAVELOCK-BELMONT-METHUEN**

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2020

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

**To the Members of the Havelock-Belmont-Methuen Library Board,
the Members of Council, Inhabitants and Ratepayers of the
Corporation of the Township of Havelock-Belmont-Methuen**

We have reviewed the accompanying financial statements of the Havelock-Belmont-Methuen Library Board of the Corporation of the Township of Havelock-Belmont-Methuen (the Board), that comprise the statement of financial position as at December 31, 2020 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

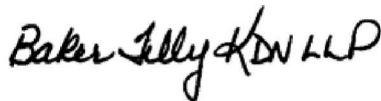
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Board as at December 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
September 29, 2022

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	41,846	20,842
Investments (note 2)	53,837	52,001
TOTAL FINANCIAL ASSETS	95,683	72,843
LIABILITIES		
Due to Township	17,627	22,947
NET FINANCIAL ASSETS	78,056	49,896
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	393,928	422,878
ACCUMULATED SURPLUS (note 4)	471,984	472,774

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2020

	Budget 2020 \$ (Note 5)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Municipal funding	120,992	120,922	117,540
Government of Canada	-	4,200	-
Province of Ontario	20,773	20,773	20,773
Donations	-	-	250
Interest	-	2,068	239
Other	720	11	1,267
TOTAL REVENUES	142,485	147,974	140,069
EXPENSES			
Salaries and benefits	71,225	67,474	65,767
Amortization	43,218	41,182	43,218
Repairs and maintenance	17,350	7,859	17,161
Utilities	17,265	15,569	16,881
Supplies	13,568	8,000	8,312
Administrative	7,530	5,240	5,223
Insurance	3,315	3,440	3,125
TOTAL EXPENSES	173,471	148,764	159,687
ANNUAL DEFICIT	<u>(30,986)</u>	(790)	(19,618)
ACCUMULATED SURPLUS - beginning of year		472,774	492,392
ACCUMULATED SURPLUS - end of year		471,984	472,774

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2020

	Budget 2020 \$ (Note 5)	Actual 2020 \$	Actual 2019 \$
ANNUAL DEFICIT	(30,986)	(790)	(19,618)
Amortization of tangible capital assets	43,218	41,182	43,218
Acquisition of tangible capital assets	(32,232)	(12,232)	(15,747)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(20,000)	28,160	7,853
NET FINANCIAL ASSETS - beginning of year	49,896	49,896	42,043
NET FINANCIAL ASSETS - end of year	29,896	78,056	49,896

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2020

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(790)	(19,618)
Items not involving cash		
Amortization of tangible capital assets	41,182	43,218
Change in non-cash assets and liabilities		
Due to Township	(5,320)	13,160
Net change in cash from operating activities	35,072	36,760
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(12,232)	(15,747)
INVESTING ACTIVITIES		
Purchase of investments	(1,836)	(240)
NET CHANGE IN CASH	21,004	20,773
CASH - beginning of year	20,842	69
CASH - end of year	41,846	20,842

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2020

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

(b) Use of Estimates

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

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

(c) Tangible Capital Assets

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

Land improvements	25 to 40 years
Buildings	30 to 60 years
Equipment	5 to 35 years
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.

(d) 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.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Reserves

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

(f) Inter-Entity Transactions

The Havelock-Belmont-Methuen Library Board is a Board of the Township of Havelock-Belmont-Methuen 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.

2. INVESTMENTS

	Market Value \$	2020 Cost \$	2019 Cost \$
ONE funds - corporate bond portfolio	28,378	27,961	27,026
ONE funds - equity portfolio	35,489	25,876	24,975
	63,867	53,837	52,001

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2020

3. TANGIBLE CAPITAL ASSETS

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

	Land Improvements \$	Building \$	Books and Equipment \$	2020 Totals \$	2019 Totals \$
COST					
Balance, beginning of year	16,048	889,066	186,625	1,091,739	1,092,457
Add: additions during the year	-	-	12,232	12,232	15,747
Less: disposals during the year	-	-	16,891	16,891	16,465
Balance, end of year	16,048	889,066	181,966	1,087,080	1,091,739
ACCUMULATED AMORTIZATION					
Balance, beginning of year	12,721	532,858	123,282	668,861	642,108
Add: additions during the year	401	25,138	15,643	41,182	43,218
Less: disposals during the year	-	-	16,891	16,891	16,465
Balance, end of year	13,122	557,996	122,034	693,152	668,861
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	2,926	331,070	59,932	393,928	422,878

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020 \$	2019 \$
Invested In Capital Assets		
Tangible capital assets - net book value	393,928	422,878
Surplus	393,928	422,878
Reserve		
Future acquisition of tangible capital assets	78,056	49,896
	471,984	472,774

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2020

5. BUDGET FIGURES

The operating budget, approved by the Board, for 2020 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to review.

6. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Havelock-Belmont-Methuen.

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:

	2020	2019
	\$	\$
Allocated costs:		
Insurance	3,440	3,125
Professional fees	530	520
	<hr/>	<hr/>
	3,970	3,645
Unallocated costs:		
Water and sewer	1,428	1,422
	<hr/>	<hr/>
	5,398	5,067

In addition, the Township provides accounting and administrative services to the Board at no cost.

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

7. UNCERTAINTY CAUSED BY COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Board's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Board's operations. The extent of the impact of this outbreak and related containment measures on the Board's operations cannot be reliably estimated at this time.

**CORPORATION OF THE TOWNSHIP OF
HAVELOCK-BELMONT-METHUEN**

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of the Belmont-Methuen-Havelock Cemetery Board, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Havelock-Belmont-Methuen

Qualified Opinion

We have audited the financial statements of the Belmont-Methuen-Havelock Cemetery Board of the Corporation of the Township of Havelock-Belmont-Methuen (the Board), which comprise the statement of financial position as at December 31, 2020, 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, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
September 29, 2022

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	100,716	99,383
Accounts receivable	2,831	3,423
TOTAL FINANCIAL ASSETS	103,547	102,806
LIABILITIES		
Accounts payable	1,125	1,125
Due to Trust Fund	4,657	3,338
TOTAL LIABILITIES	5,782	4,463
NET FINANCIAL ASSETS	97,765	98,343
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	25,421	26,700
ACCUMULATED SURPLUS (note 3)	123,186	125,043

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2020

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Municipal funding	63,104	63,104	63,184
Grave openings	10,500	11,850	11,038
Sale of interment rights	5,228	8,543	7,502
Donations and other	4,300	3,587	2,688
Transfer from Perpetual Care Trust Fund	4,633	4,903	4,698
TOTAL REVENUES	87,765	91,987	89,110
EXPENSES			
Contracts - operations	71,932	70,735	70,161
Contracts - administration	7,133	7,133	7,000
Supplies and services	5,300	13,107	10,417
Board and administration costs	3,400	1,590	1,798
Amortization	1,279	1,279	1,279
TOTAL EXPENSES	89,044	93,844	90,655
ANNUAL DEFICIT	<u>(1,279)</u>	(1,857)	(1,545)
ACCUMULATED SURPLUS - beginning of year		125,043	126,588
ACCUMULATED SURPLUS - end of year		123,186	125,043

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2020

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
ANNUAL DEFICIT	(1,279)	(1,857)	(1,545)
Amortization of tangible capital assets	1,279	1,279	1,279
Change in prepaid expenses	-	-	92
DECREASE IN NET FINANCIAL ASSETS	-	(578)	(174)
NET FINANCIAL ASSETS - beginning of year	98,343	98,343	98,517
NET FINANCIAL ASSETS - end of year	98,343	97,765	98,343

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2020

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(1,857)	(1,545)
Items not involving cash		
Amortization of tangible capital assets	1,279	1,279
Change in non-cash assets and liabilities		
Accounts receivable	592	1,156
Prepaid expenses	-	92
Due to Trust Fund	1,319	(4,714)
NET CHANGE IN CASH	1,333	(3,732)
CASH - beginning of year	99,383	103,115
CASH - end of year	100,716	99,383

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2020

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 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.

Grave openings and sale of interment rights are recognized as revenue in the year the goods and services are provided.

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

Transfers from Perpetual Care Trust Fund are recognized as revenue in the year the Trust Fund earns the investment income.

(b) Use of Estimates

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

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

(c) Tangible Capital Assets

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

Land improvements	25 to 40 years
Columbarium	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.

(d) 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.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Inter-Entity Transactions

The Belmont-Methuen-Havelock Cemetery Board is a Board of the Township of Havelock-Belmont-Methuen 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.

(f) Trust Funds

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

2. TANGIBLE CAPITAL ASSETS

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

	Land \$	Land Improvements \$	Columbarium \$	2020 Totals \$	2019 Totals \$
COST					
Balance, beginning of year	3	34,895	15,594	50,492	50,492
Balance, end of year	3	34,895	15,594	50,492	50,492
ACCUMULATED AMORTIZATION					
Balance, beginning of year	-	22,388	1,404	23,792	22,513
Add: additions during the year	-	967	312	1,279	1,279
Balance, end of year	-	23,355	1,716	25,071	23,792
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	3	11,540	13,878	25,421	26,700

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2020

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
Surplus		
Operations	97,765	98,343
Invested In Capital Assets		
Tangible capital assets - net book value	25,421	26,700
	<hr/>	<hr/>
	123,186	125,043

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2020 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

5. TRUST FUNDS

Trust funds administered by the Board amounting to \$292,712 (2019 - \$287,233) have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Board for the benefit of others, they are not presented as part of the Board's financial position or operations.

6. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Havelock-Belmont-Methuen.

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.

In addition, the Township provides professional services to the Board at no cost.

All balances with the Township of Havelock-Belmont-Methuen 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 HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2020

7. UNCERTAINTY CAUSED BY COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Board's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Board's operations. The extent of the impact of this outbreak and related containment measures on the Board's operations cannot be reliably estimated at this time.

INDEPENDENT AUDITOR'S REPORT

To the Members of the Belmont-Methuen-Havelock Cemetery Board, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Havelock-Belmont-Methuen

Opinion

We have audited the financial statements of the Trust Funds of the Corporation of the Township of Havelock-Belmont-Methuen (the Trust Funds), which comprise the statement of financial position as at December 31, 2020, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2020, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
September 29, 2022

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2020

	Perpetual Care \$	Monument Care \$	Rockdale Cemetery \$	2020 Total \$	2019 Total \$
FINANCIAL ASSETS					
Cash	-	-	33,561	33,561	34,768
Investments (note 2)	141,493	33,967	79,034	254,494	249,127
Due from Cemetery Board	3,657	1,000	-	4,657	3,338
	145,150	34,967	112,595	292,712	287,233
FUND BALANCES					
Capital	145,150	34,967	100,000	280,117	275,438
Revenue	-	-	12,595	12,595	11,795
	145,150	34,967	112,595	292,712	287,233

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2020

	Perpetual Care \$	Monument Care \$	Rockdale Cemetery \$	2020 Total \$	2019 Total \$
BALANCE - beginning of year	141,476	33,962	111,795	287,233	283,617
RECEIPTS					
Interest income earned	4,151	997	2,007	7,155	6,384
Capital gains	18	4	-	22	-
Care and maintenance funds	3,656	1,001	-	4,657	3,338
	7,825	2,002	2,007	11,834	9,722
EXPENSES					
Transfer to revenue fund	2,984	714	1,205	4,903	4,698
Trustee fees	1,167	283	2	1,452	1,408
	4,151	997	1,207	6,355	6,106
BALANCE - end of year	145,150	34,967	112,595	292,712	287,233

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2020

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

2. INVESTMENTS

The investments held at the end of the year are recorded at cost and consist of:

	Market Value \$	2020 Cost \$	2019 Cost \$
Scotiabank Bond Common Trust			
Scotiabank bond common trust fund	54,640	52,287	51,298
Scotiabank corporate bond common trust fund	129,937	123,173	120,802
	184,577	175,460	172,100
TD Mutual Funds			
TD monthly income fund - I series	17,172	12,773	12,372
TD Canadian core plus bond fund	39,581	34,473	33,553
TD comfort balanced portfolio	44,418	31,788	31,102
	101,171	79,034	77,027
	285,748	254,494	249,127

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2020

3. CARE AND MAINTENANCE FUNDS

The Perpetual Care Fund, administered by the Board, is funded by the sale of cemetery plots. These funds are invested and earnings derived there from are used to perform perpetual care maintenance to the Board's cemeteries. The operations and investments of the Fund are undertaken by the Board in accordance with the regulations of the Cemeteries Act.

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

Rockdale Cemetery Fund, administered by the Board, is from a bequest. The principal of this bequest is to be invested with any income earned to be used for a specific area of the Cemetery. If this income is not utilized in that area, it can be used for the maintenance, upkeep and improvement of the entire Rockdale Cemetery.