



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

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

For The Year Ended December 31, 2019

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.

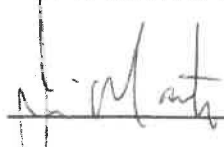
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen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

March 2, 2021

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, 2019, 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, 2019, 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
March 23, 2021

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



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash (note 3)	4,002,708	2,391,464
Investments (note 4)	8,119,708	8,023,765
Accounts receivable	876,250	610,784
Taxes receivable	517,397	604,607
Loans receivable (note 6)	610,000	-
TOTAL FINANCIAL ASSETS	14,126,063	11,630,620
LIABILITIES		
Loans payable (note 6)	610,000	-
Accounts payable and accrued liabilities	935,179	847,193
Deferred revenue - obligatory reserve funds (note 8)	599,080	332,305
Deferred revenue - other (note 7)	-	1,288,023
Landfill post-closure liability (note 5)	453,000	275,000
TOTAL LIABILITIES	2,597,259	2,742,521
NET FINANCIAL ASSETS	11,528,804	8,888,099
NON-FINANCIAL ASSETS		
Tangible capital assets (note 9)	30,314,819	29,428,812
Prepaid expenses	57,301	173,794
TOTAL NON-FINANCIAL ASSETS	30,372,120	29,602,606
ACCUMULATED SURPLUS (note 10)	41,900,924	38,490,705

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Property taxation	6,335,301	6,377,547	6,060,193
User charges	1,359,779	1,636,063	1,520,959
Government of Canada	75,000	-	13,445
Province of Ontario	4,599,406	3,837,591	1,757,888
Other municipalities	-	6,950	-
Penalties and interest on taxes	105,000	97,568	104,650
Investment income	50,000	188,960	193,168
Parkland fees earned	40,000	25,629	-
Federal gas tax earned	-	-	260,114
Other	820	1,567	43,788
TOTAL REVENUES	12,565,306	12,171,875	9,954,205
EXPENSES			
General government	1,446,186	1,391,795	1,323,873
Protection services	2,374,259	2,364,797	2,302,250
Transportation services	1,907,716	1,980,140	1,572,964
Environmental services	1,690,961	1,851,158	1,213,025
Health services	154,142	149,750	154,491
Recreation and cultural services	907,053	826,452	739,404
Planning and development	219,533	197,564	200,335
TOTAL EXPENSES	8,699,850	8,761,656	7,506,342
ANNUAL SURPLUS	<u>3,865,456</u>	3,410,219	2,447,863
ACCUMULATED SURPLUS - beginning of year		38,490,705	36,042,842
ACCUMULATED SURPLUS - end of year		41,900,924	38,490,705

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
ANNUAL SURPLUS	3,865,456	3,410,219	2,447,863
Amortization of tangible capital assets	1,504,318	1,621,439	1,504,318
Purchase of tangible capital assets	(2,931,855)	(2,733,359)	(2,734,204)
Loss/(gain) on disposal of tangible capital assets	-	225,913	(265,573)
Proceeds on sale of tangible capital assets	-	-	298,247
Change in prepaid expenses	-	116,493	(148,922)
INCREASE IN NET FINANCIAL ASSETS	2,437,919	2,640,705	1,101,729
NET FINANCIAL ASSETS - beginning of year	8,888,099	8,888,099	7,786,370
NET FINANCIAL ASSETS - end of year	11,326,018	11,528,804	8,888,099

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, 2019**

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	3,410,219	2,447,863
Items not involving cash		
Amortization of tangible capital assets	1,621,439	1,504,318
Loss/(gain) on disposal of tangible capital assets	225,913	(265,573)
Change in landfill post-closure liability	178,000	(283,000)
Change in non-cash assets and liabilities		
Accounts receivable	(265,466)	355,352
Taxes receivable	87,210	(15,008)
Prepaid expenses	116,493	(148,922)
Accounts payable and accrued liabilities	87,986	(747,958)
Deferred revenue - obligatory reserve funds	266,775	(102,768)
Deferred revenue - other	(1,288,023)	1,241,906
Net change in cash from operating activities	4,440,546	3,986,210
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,733,359)	(2,734,204)
Proceeds on disposal of tangible capital assets	-	298,247
Net change in cash from capital activities	(2,733,359)	(2,435,957)
INVESTING ACTIVITIES		
Purchase of investments	(95,943)	(1,129,013)
Advances of loan receivable	(610,000)	-
Redemption of investments	-	1,345,430
Net change in cash from investing activities	(705,943)	216,417
FINANCING ACTIVITIES		
Proceeds of loan payable	610,000	-
NET CHANGE IN CASH	1,611,244	1,766,670
CASH - beginning of year	2,391,464	624,794
CASH - end of year	4,002,708	2,391,464

The accompanying notes are an integral part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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. 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.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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 and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates; 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 2019, 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 \$
Property taxes	2,649,705	4,368,573
Taxation from other governments	15,574	17,620
Amounts requisitioned and remitted	2,665,279	4,386,193

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, 2019**

3. CASH

Cash is comprised of the following:

	2019	2018
	\$	\$
Unrestricted	3,765,915	2,180,588
Restricted funds	236,793	210,876
	4,002,708	2,391,464

4. INVESTMENTS

Investments, recorded at cost, consist of the following:

	Market value 2019	Cost 2019	Cost 2018
	\$	\$	\$
ONE funds - universe corporate bond portfolio	4,047,267	4,118,926	4,023,867
ONE funds - equity portfolio	5,267,007	4,000,782	3,999,898
	9,314,274	8,119,708	8,023,765

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 2.0% and a discount rate of 3.0% is \$453,000 (2018 - \$275,000). 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 \$35,554 (2018 - \$128,523) 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, 2019 is \$610,000 (2018 - \$NIL).

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

7. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2019	2018
	\$	\$
OCIF - Mathison Street	-	1,288,023

The continuity of deferred revenue - other is as follows:

	2019	2018
	\$	\$
Balance - beginning of year	1,288,023	46,117
Add amounts received:		
OCIF - Mathison Street	-	1,408,040
Less transfer to operations:		
Library Capacity building grant	-	39,117
Rotary Park grant	-	7,000
OCIF - Mathison Street	1,288,023	120,017
	1,288,023	166,134
Balance - end of year	-	1,288,023

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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:

	2019 \$	2018 \$
Parkland	162,133	184,662
Federal gas tax	436,947	147,643
	599,080	332,305

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

	2019 \$	2018 \$
Balance - beginning of year	332,305	435,073
Add amounts received:		
Parkland	1,000	7,000
Federal gas tax	284,168	144,062
Interest	7,236	6,284
	292,404	157,346
Less transfer to operations:		
Parkland fees earned	25,629	-
Federal gas tax earned	-	260,114
	25,629	260,114
Balance - end of year	599,080	332,305

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

9. TANGIBLE CAPITAL ASSETS

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

	2019	2018
	\$	\$
General		
Land	509,486	509,486
Land improvements	2,190,680	2,255,295
Buildings	9,175,801	9,539,736
Equipment	4,222,012	4,457,694
Infrastructure		
Roads and bridges	8,530,953	6,759,334
Water and sewer	5,352,701	4,900,702
	29,981,633	28,422,247
Assets under construction	333,186	1,006,565
	30,314,819	29,428,812

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

During the year there were no write-downs of assets (2018 - \$Nil) and no interest capitalized (2018 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2019	2018
	\$	\$
General government	781,341	812,325
Protection services	1,368,540	1,346,723
Transportation services	10,030,922	9,122,431
Environmental services	15,177,879	15,073,492
Health services	110,929	115,449
Recreation and cultural services	2,845,208	2,958,392
	30,314,819	29,428,812

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

10. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019	2018
	\$	\$
Surplus/(Deficit)		
Unfunded landfill post-closure costs	(453,000)	(275,000)
Cemetery Board	98,343	98,609
	(354,657)	(176,391)
Invested In Capital Assets		
Tangible capital assets - net book value	30,314,819	29,428,812
Surplus	29,960,162	29,252,421
Reserves		
Working funds	947,063	1,041,374
Roads capital	587,935	452,568
Roads equipment	347,572	261,200
Roads village	308,326	232,214
Municipal elections	19,015	6,937
Environmental capital	134,792	130,688
Administration	4,262,435	3,080,617
Fire department	880,116	853,537
Building department equipment	395,845	325,297
Planning	180,432	87,530
Subdivider	4,855	4,855
Medical centre	33,223	13,386
Police services board	401,055	388,768
Parks/recreation/arena	546,958	516,913
Water maintenance	120,842	22,176
Sewer maintenance	379,624	213,176
General capital projects	863,047	150,000
Library	49,896	42,043
Total Reserves	10,463,031	7,823,279

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

10. ACCUMULATED SURPLUS, continued

	2019	2018
	\$	\$
Reserve Funds		
Fire	22,071	21,813
Water system	102,105	54,402
Sewer	1,312,929	1,298,672
General	37,018	36,552
Public accounts	3,608	3,566
Total Reserve Funds	1,477,731	1,415,005
	41,900,924	38,490,705

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 2019	Actual 2019	Actual 2018
	\$	\$	\$
	(Unaudited)		
Salaries and benefits	2,657,349	2,476,272	2,179,352
Materials	1,983,516	1,737,338	1,763,271
Contracted services	2,298,485	2,445,495	2,037,030
Rents and financial	7,900	5,855	5,734
External transfers	248,282	249,344	282,210
Amortization	1,504,318	1,621,439	1,504,318
Loss/(gain) on disposal of tangible capital assets	-	225,913	(265,573)
	8,699,850	8,761,656	7,506,342

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 2019 Annual Report disclosed total actuarial liabilities of \$107,687 million in respect of benefits accrued for service with actuarial assets of \$104,290 million indicating an actuarial deficit of \$3,397 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 2019 were \$152,386 (2018 - \$143,587).

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 \$323,652 for the first year and the remaining years will be adjusted by the annual Consumer Price Index. The term of the agreement is from January 1, 2016 to December 31, 2020.

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 \$287,233 (2018 - \$283,617) 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, 2019 there was no balance outstanding.

17. BUDGET FIGURES

The budget, approved by the Township, for 2019 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.

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.

18. SEGMENTED INFORMATION, continued

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.

19. SUBSEQUENT EVENTS

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social impact.

During Fiscal 2020, the Township has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Temporarily closed most facilities for walk-in access;
 - Penalty charges on outstanding property tax balances were waived temporarily;
 - Working from home requirements were set up temporarily for those able to do so;
 - Reduced revenues from user charges;
 - Water and sewer rates are not increased for 2020;
 - Expected decline in investment income;
 - Additional costs for enhanced facility cleaning and acquisition of personal protective equipment;
- and
- Additional costs for retrofitting offices and facilities in preparation for reopening to the public.

The Township plans to mitigate any additional operating costs with committed Provincial government funding, cost savings in other budget areas and tight controls over operating expenses.

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities in subsequent years and may have a significant impact on future operations.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN



CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2019

	General				Infrastructure		Assets Under Construction \$	Totals \$
	Land \$	Land Improvements \$	Buildings \$	Equipment \$	Roads and Bridges \$	Water and Sewer \$		
COST								
Balance, beginning of year	509,486	3,389,792	16,479,032	6,871,773	9,951,514	7,884,422	1,006,565	46,092,584
Add: additions during the year	-	-	98,192	146,571	1,761,564	727,032	-	2,733,359
Less: disposals during the year	-	-	-	67,304	263,574	245,790	-	576,668
Internal transfers	-	-	-	-	673,379	-	(673,379)	-
Balance, end of year	509,486	3,389,792	16,577,224	6,951,040	12,122,883	8,365,664	333,186	48,249,275
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	1,134,497	6,939,296	2,414,079	3,192,180	2,983,720	-	16,663,772
Add: additions during the year	-	64,615	462,127	380,122	586,737	127,838	-	1,621,439
Less: disposals during the year	-	-	-	65,173	186,987	98,595	-	350,755
Balance, end of year	-	1,199,112	7,401,423	2,729,028	3,591,930	3,012,963	-	17,934,456
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	509,486	2,190,680	9,175,801	4,222,012	8,530,953	5,352,701	333,186	30,314,819

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 \$	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
Parkland fees earned	-	-	-	-	-	-	25,629	-	25,629
Other revenue	-	-	-	-	-	-	1,567	-	1,567
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



CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2018

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	1,124,903	2,156,199	1,598,444	-	268,871	121,318	553,190	237,268	6,060,193
User charges	45,078	151,802	81,619	929,264	160,723	58,831	69,442	24,200	1,520,959
Government transfers - operating	1,379,945	11,307	-	-	-	-	20,773	12,436	1,424,461
Government transfers - capital	-	-	262,521	-	-	-	84,351	-	346,872
Penalties and interest on taxes	104,650	-	-	-	-	-	-	-	104,650
Investment income	155,777	11,596	2,509	16,682	(148)	(270)	6,130	892	193,168
Federal gas tax earned	-	-	260,114	-	-	-	-	-	260,114
Other	41,653	-	-	-	-	-	2,135	-	43,788
Total revenues	2,852,006	2,330,904	2,205,207	945,946	429,446	179,879	736,021	274,796	9,954,205
Expenses									
Salaries and benefits	838,391	436,949	373,082	37,973	102,502	7,000	327,760	55,695	2,179,352
Materials	558,212	206,720	460,200	153,489	50,641	68,787	243,279	21,943	1,763,271
Contracted services	70,721	1,289,181	139,489	392,978	(45,214)	66,658	520	122,697	2,037,030
Rents and financial	5,591	-	-	-	-	-	143	-	5,734
External transfers	-	274,710	-	-	-	7,500	-	-	282,210
Amortization	54,633	92,887	664,678	502,455	18,201	4,546	166,918	-	1,504,318
Loss (gain) on disposal of tangible capital assets	(203,675)	1,803	(64,485)	-	-	-	784	-	(265,573)
Total expenses	1,323,873	2,302,250	1,572,964	1,086,895	126,130	154,491	739,404	200,335	7,506,342
Net surplus/(deficit)	1,528,133	28,654	632,243	(140,949)	303,316	25,388	(3,383)	74,461	2,447,863

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

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

Baker Tilly KDN LLP
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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, 2019 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 these financial statements do not present fairly, in all material respects, the financial position of the Board as at December 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
March 23, 2021

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



**HAVELOCK-BELMONT-METHUEN LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	20,842	69
Investments (note 2)	52,001	51,761
TOTAL FINANCIAL ASSETS	72,843	51,830
LIABILITIES		
Due to Township	22,947	9,787
NET FINANCIAL ASSETS	49,896	42,043
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	422,878	450,349
ACCUMULATED SURPLUS (note 4)	472,774	492,392

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, 2019**

	Budget 2019 \$ (Note 5)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Municipal funding	117,540	117,540	124,847
Municipal funding - reserves	-	-	70,338
Province of Ontario	20,773	20,773	59,890
Donations	100	250	960
Interest	-	239	620
Other	720	1,267	1,175
TOTAL REVENUES	139,133	140,069	257,830
EXPENSES			
Salaries and benefits	69,163	65,767	65,991
Amortization	35,829	43,218	35,829
Repairs and maintenance	24,350	17,161	19,181
Utilities	17,660	16,881	16,856
Supplies	9,600	8,312	8,128
Administrative	7,045	5,223	5,941
Insurance	3,315	3,125	3,221
TOTAL EXPENSES	166,962	159,687	155,147
ANNUAL SURPLUS/(DEFICIT)	<u>(27,829)</u>	(19,618)	102,683
ACCUMULATED SURPLUS - beginning of year		492,392	389,709
ACCUMULATED SURPLUS - end of year		472,774	492,392

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, 2019**

	Budget 2019 \$ (Note 5)	Actual 2019 \$	Actual 2018 \$
ANNUAL SURPLUS/(DEFICIT)	(27,829)	(19,618)	102,683
Amortization of tangible capital assets	35,829	43,218	35,829
Acquisition of tangible capital assets	(19,000)	(15,747)	(133,978)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(11,000)	7,853	4,534
NET FINANCIAL ASSETS - beginning of year	42,043	42,043	37,509
NET FINANCIAL ASSETS - end of year	31,043	49,896	42,043

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, 2019**

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	(19,618)	102,683
Items not involving cash		
Amortization of tangible capital assets	43,218	35,829
Change in non-cash assets and liabilities		
Due from Township	-	4,275
Due to Township	13,160	9,787
Deferred revenue - capacity building grant	-	(39,117)
Net change in cash from operating activities	36,760	113,457
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(15,747)	(133,978)
INVESTING ACTIVITIES		
Purchase of investments	(240)	(586)
NET CHANGE IN CASH	20,773	(21,107)
CASH - beginning of year	69	21,176
CASH - end of year	20,842	69

The accompanying notes are an integral part of these financial statements

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 and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(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. 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.

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



**HAVELOCK-BELMONT-METHUEN LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(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.

(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 \$	2019 Cost \$	2018 Cost \$
ONE funds - universe corporate bond portfolio	26,389	27,026	26,786
ONE funds - equity portfolio	33,316	24,975	24,975
	59,705	52,001	51,761

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



**HAVELOCK-BELMONT-METHUEN LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

3. TANGIBLE CAPITAL ASSETS

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

	Land Improvements \$	Building \$	Books and Equipment \$	2019 Totals \$	2018 Totals \$
COST					
Balance, beginning of year	16,048	889,066	187,343	1,092,457	1,005,235
Add: additions during the year	-	-	15,747	15,747	133,978
Less: disposals during the year	-	-	16,465	16,465	46,756
Balance, end of year	16,048	889,066	186,625	1,091,739	1,092,457
ACCUMULATED AMORTIZATION					
Balance, beginning of year	12,281	506,388	123,439	642,108	653,035
Add: additions during the year	440	26,470	16,308	43,218	35,829
Less: disposals during the year	-	-	16,465	16,465	46,756
Balance, end of year	12,721	532,858	123,282	668,861	642,108
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	3,327	356,208	63,343	422,878	450,349

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019 \$	2018 \$
Invested In Capital Assets		
Tangible capital assets - net book value	422,878	450,349
Surplus	422,878	450,349
Reserve		
Future acquisition of tangible capital assets	49,896	42,043
	472,774	492,392

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN



HAVELOCK-BELMONT-METHUEN LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2019

5. BUDGET FIGURES

The operating budget, approved by the Board, for 2019 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:

	2019	2018
	\$	\$
Allocated costs:		
Insurance	3,125	3,221
Professional fees	520	520
	<hr/>	<hr/>
	3,645	3,741
Unallocated costs:		
Water and sewer	1,422	1,404
	<hr/>	<hr/>
	5,067	5,145

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. SUBSEQUENT EVENT

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, 2019

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

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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, 2019, 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, 2019, 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 surplus/(deficit), assets and accumulated surplus.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
March 23, 2021

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



**BELMONT-METHUEN-HAVELOCK CEMETERY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	99,383	103,115
Accounts receivable	3,423	4,579
TOTAL FINANCIAL ASSETS	102,806	107,694
LIABILITIES		
Accounts payable	1,125	1,125
Due to Trust Fund	3,338	8,052
TOTAL LIABILITIES	4,463	9,177
NET FINANCIAL ASSETS	98,343	98,517
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	26,700	27,979
Prepaid expenses	-	92
TOTAL NON-FINANCIAL ASSETS	26,700	28,071
ACCUMULATED SURPLUS (note 3)	125,043	126,588

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Municipal funding	63,184	63,184	64,916
Grave openings	10,500	11,038	18,738
Sale of interment rights	5,428	7,502	16,358
Donations and other	1,000	2,688	7,979
Transfer from Perpetual Care Trust Fund	-	4,698	7,672
TOTAL REVENUES	80,112	89,110	115,663
EXPENSES			
Contracts - operations	69,412	70,161	66,658
Contracts - administration	7,000	7,000	7,000
Supplies and services	6,400	10,417	12,084
Board and administration costs	3,500	1,798	7,347
Amortization	1,279	1,279	1,279
TOTAL EXPENSES	87,591	90,655	94,368
ANNUAL SURPLUS/(DEFICIT)	<u>(7,479)</u>	(1,545)	21,295
ACCUMULATED SURPLUS - beginning of year		126,588	105,293
ACCUMULATED SURPLUS - end of year		125,043	126,588

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
ANNUAL SURPLUS/(DEFICIT)	(7,479)	(1,545)	21,295
Amortization of tangible capital assets	1,279	1,279	1,279
Change in prepaid expenses	-	92	(92)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(6,200)	(174)	22,482
NET FINANCIAL ASSETS - beginning of year	98,517	98,517	76,035
NET FINANCIAL ASSETS - end of year	92,317	98,343	98,517

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, 2019**

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	(1,545)	21,295
Items not involving cash		
Amortization of tangible capital assets	1,279	1,279
Change in non-cash assets and liabilities		
Accounts receivable	1,156	(1,764)
Prepaid expenses	92	(92)
Due to Trust Fund	(4,714)	1,573
NET CHANGE IN CASH	(3,732)	22,291
CASH - beginning of year	103,115	80,824
CASH - end of year	99,383	103,115

The accompanying notes are an integral part of these financial statements

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 and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(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. 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.

**BELMONT-METHUEN-HAVELOCK CEMETERY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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 \$	2019 Totals \$	2018 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	-	21,421	1,092	22,513	21,234
Add: additions during the year	-	967	312	1,279	1,279
Balance, end of year	-	22,388	1,404	23,792	22,513
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	3	12,507	14,190	26,700	27,979

**BELMONT-METHUEN-HAVELOCK CEMETERY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019	2018
	\$	\$
Surplus		
Operations	98,343	98,609
Invested In Capital Assets		
Tangible capital assets - net book value	26,700	27,979
	125,043	126,588

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2019 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 \$287,233 (2018 - \$283,617) 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.

7. SUBSEQUENT EVENT

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

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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, 2019, 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, 2019, 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
March 23, 2021

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



**BELMONT-METHUEN-HAVELOCK CEMETERY BOARD TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	Perpetual Care \$	Monument Care \$	Rockdale Cemetery \$	2019 Total \$	2018 Total \$
FINANCIAL ASSETS					
Cash	-	-	34,768	34,768	35,961
Investments (note 2)	138,638	33,462	77,027	249,127	239,604
Due from Cemetery Board	2,838	500	-	3,338	8,052
	141,476	33,962	111,795	287,233	283,617
FUND BALANCES					
Capital	141,476	33,962	100,000	275,438	272,100
Revenue	-	-	11,795	11,795	11,517
	141,476	33,962	111,795	287,233	283,617

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
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2019**

	Perpetual Care \$	Monument Care \$	Rockdale Cemetery \$	2019 Total \$	2018 Total \$
BALANCE - beginning of year	138,638	33,462	111,517	283,617	276,467
RECEIPTS					
Interest earned	3,957	955	1,472	6,384	7,293
Capital gains	-	-	-	-	810
Care and maintenance funds	2,838	500	-	3,338	8,052
	6,795	1,455	1,472	9,722	16,155
EXPENSES					
Transfer to revenue fund	2,834	672	1,192	4,698	7,672
Trustee fees	1,123	283	2	1,408	1,333
	3,957	955	1,194	6,106	9,005
BALANCE - end of year	141,476	33,962	111,795	287,233	283,617

The accompanying notes are an integral part of these financial statements

**BELMONT-METHUEN-HAVELOCK CEMETERY BOARD TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

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 \$	2019 Cost \$	2018 Cost \$
Scotiabank Bond Common Trust			
Scotiabank bond common trust fund	50,540	51,298	48,926
Scotiabank corporate bond common trust fund	121,025	120,802	115,122
	171,565	172,100	164,048
TD Mutual Funds			
TD monthly income fund - I series	16,846	12,372	11,999
TD Canadian core plus bond fund	36,841	33,553	32,814
TD comfort balanced portfolio	41,861	31,102	30,743
	95,548	77,027	75,556
	267,113	249,127	239,604

**BELMONT-METHUEN-HAVELOCK CEMETERY BOARD TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

3. PURPOSE OF TRUSTS

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.

4. SUBSEQUENT EVENT

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.