

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

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

For The Year Ended December 31, 2021

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

Treasurer

March 21, 2023

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, 2021, 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, 2021, 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
May 3, 2023



CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash (note 3)	8,349,092	6,835,556
Investments (note 4)	8,884,636	8,405,531
Accounts receivable	319,014	352,768
Taxes receivable	603,662	574,217
Loans receivable (note 6)	5,100,000	5,100,000
TOTAL FINANCIAL ASSETS	23,256,404	21,268,072
LIABILITIES		
Loans payable (note 6)	5,100,000	5,100,000
Accounts payable and accrued liabilities	1,131,852	1,042,042
Deferred revenue - obligatory reserve funds (note 8)	295,538	469,224
Deferred revenue - other (note 7)	179,509	109,054
Landfill post-closure liability (note 5)	300,300	469,000
TOTAL LIABILITIES	7,007,199	7,189,320
NET FINANCIAL ASSETS	16,249,205	14,078,752
NON-FINANCIAL ASSETS		
Tangible capital assets (note 9)	29,983,354	29,657,033
Prepaid expenses	56,763	111,067
TOTAL NON-FINANCIAL ASSETS	30,040,117	29,768,100
ACCUMULATED SURPLUS (note 10)	46,289,322	43,846,852

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Property taxation	6,677,190	6,890,675	6,735,563
User charges	1,505,919	1,656,567	1,643,080
Government of Canada	-	4,619	4,200
Province of Ontario	5,131,298	1,502,420	1,584,697
Other municipalities	-	3,000	-
Penalties and interest on taxes	91,800	104,999	82,343
Investment income	70,000	512,753	332,994
Other	100	1,463	15,533
Parkland fees earned	-	3,941	34,253
Federal gas tax earned	150,000	463,080	244,385
Gain/(loss) on disposal of tangible capital assets	-	136,127	(2,614)
TOTAL REVENUES	13,626,307	11,279,644	10,674,434
EXPENSES			
General government	1,389,004	1,441,021	1,340,101
Protection services	2,632,528	2,494,397	2,380,399
Transportation services	2,433,392	2,291,361	2,042,370
Environmental services	1,631,979	1,597,678	1,860,116
Health services	138,294	129,720	152,439
Recreation and cultural services	831,730	723,491	810,674
Planning and development	247,618	159,506	142,407
TOTAL EXPENSES	9,304,545	8,837,174	8,728,506
ANNUAL SURPLUS	<u>4,321,762</u>	2,442,470	1,945,928
ACCUMULATED SURPLUS - beginning of year		43,846,852	41,900,924
ACCUMULATED SURPLUS - end of year		46,289,322	43,846,852

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
ANNUAL SURPLUS	4,321,762	2,442,470	1,945,928
Amortization of tangible capital assets	1,701,887	1,723,053	1,701,890
Purchase of tangible capital assets	(5,251,375)	(2,055,672)	(1,046,718)
Loss/(gain) on disposal of tangible capital assets	-	(136,127)	2,614
Proceeds on sale of tangible capital assets	-	142,425	-
Change in prepaid expenses	-	54,304	(53,766)
INCREASE IN NET FINANCIAL ASSETS	772,274	2,170,453	2,549,948
NET FINANCIAL ASSETS - beginning of year	14,078,752	14,078,752	11,528,804
NET FINANCIAL ASSETS - end of year	14,851,026	16,249,205	14,078,752

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, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	2,442,470	1,945,928
Items not involving cash		
Amortization of tangible capital assets	1,723,053	1,701,890
Loss/(gain) on disposal of tangible capital assets	(136,127)	2,614
Change in landfill post-closure liability	(168,700)	16,000
Change in non-cash assets and liabilities		
Accounts receivable	33,754	523,482
Taxes receivable	(29,445)	(56,820)
Prepaid expenses	54,304	(53,766)
Accounts payable and accrued liabilities	89,810	106,863
Deferred revenue - obligatory reserve funds	(173,686)	(129,856)
Deferred revenue - other	70,455	109,054
Net change in cash from operating activities	3,905,888	4,165,389
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,055,672)	(1,046,718)
Proceeds on disposal of tangible capital assets	142,425	-
Net change in cash from capital activities	(1,913,247)	(1,046,718)
INVESTING ACTIVITIES		
Purchase of investments	(479,105)	(285,823)
Advances of loan receivable	-	(4,490,000)
Net change in cash from investing activities	(479,105)	(4,775,823)
FINANCING ACTIVITIES		
Proceeds of loan payable	-	4,490,000
NET CHANGE IN CASH	1,513,536	2,832,848
CASH - beginning of year	6,835,556	4,002,708
CASH - end of year	8,349,092	6,835,556

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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

**TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

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 2021, 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	2,568,949	4,741,190

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



CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

**TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

3. CASH

Cash is comprised of the following:

	2021	2020
	\$	\$
Unrestricted	8,108,206	6,574,810
Restricted funds	240,886	260,746
	8,349,092	6,835,556

4. INVESTMENTS

Investments, recorded at cost, consist of the following:

	Market value 2021	Cost 2021	Cost 2020
	\$	\$	\$
ONE funds - corporate bond portfolio	4,249,311	4,344,735	4,262,305
ONE funds - equity portfolio	6,767,470	4,539,901	4,143,226
	11,016,781	8,884,636	8,405,531

5. LANDFILL POST-CLOSURE LIABILITY

The estimated liability for landfill post-closure costs for the Township's three closed landfill sites using an inflation rate of 3.0% and a discount rate of 4.38% is \$300,300 (2020 - \$469,000). 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 \$74,310 (2020 - \$185,945) 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) 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%. In 2022, this loan has been repaid to OILC and Peterborough Housing Corporation has paid the Township \$5,100,000 to facilitate this.



CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2021

7. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2021	2020
	\$	\$
Safe Restart Agreement	166,070	92,162
Ontario Community Infrastructure Fund	8,439	-
Other	5,000	16,892
	179,509	109,054

The continuity of deferred revenue - other is as follows:

	2021	2020
	\$	\$
Balance - beginning of year	109,054	-
Add amounts received:		
Safe Restart Agreement	132,595	264,500
Ontario Community Infrastructure Fund	72,123	-
Other	5,000	16,892
Interest	2,061	-
	211,779	281,392
Less transfer to operations:		
Safe Restart Agreement	58,687	172,338
Ontario Community Infrastructure Fund	65,745	-
Other	16,892	-
	141,324	172,338
Balance - end of year	179,509	109,054

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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:

	2021	2020
	\$	\$
Parkland	142,800	136,294
Federal gas tax	152,738	332,930
	295,538	469,224

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

	2021	2020
	\$	\$
Balance - beginning of year	469,224	599,080
Add amounts received:		
Parkland	-	1,000
Federal gas tax	281,783	137,423
Interest	11,552	10,359
	293,335	148,782
Less transfer to operations:		
Parkland fees earned	3,941	34,253
Federal gas tax earned	463,080	244,385
	467,021	278,638
Balance - end of year	295,538	469,224

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2021

9. TANGIBLE CAPITAL ASSETS

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

	2021	2020
	\$	\$
General		
Land	1,575,590	837,720
Land improvements	2,025,020	2,159,741
Buildings	8,346,186	8,781,278
Equipment	4,105,704	4,046,957
Infrastructure		
Roads and bridges	8,018,552	8,068,006
Water and sewer	5,213,964	5,350,271
	29,285,016	29,243,973
Assets under construction	698,338	413,060
	29,983,354	29,657,033

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

During the year there were no write-downs of assets (2020 - \$Nil) and no interest capitalized (2020 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2021	2020
	\$	\$
General government	1,448,112	823,886
Protection services	1,227,899	1,337,924
Transportation services	10,125,522	9,708,384
Environmental services	14,449,367	14,931,222
Health services	101,888	106,408
Recreation and cultural services	2,630,566	2,749,209
	29,983,354	29,657,033

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

10. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
Surplus/(Deficit)		
Unfunded landfill post-closure costs	(300,300)	(469,000)
Cemetery Board	113,485	97,765
	(186,815)	(371,235)
Invested In Capital Assets		
Tangible capital assets - net book value	29,983,354	29,657,033
Surplus	29,796,539	29,285,798
Reserves		
Working funds	965,790	917,176
Roads capital	904,443	768,359
Roads equipment	607,989	512,383
Roads village	376,370	326,960
Municipal elections	44,713	31,607
Environmental capital	74,310	185,945
Administration	6,000,200	5,637,017
Fire department	1,281,514	1,095,507
Building department equipment	488,521	438,999
Planning	391,509	292,712
Subdivider	4,855	4,855
Facilities	242,112	47,998
Police services board	466,891	426,239
Parks/recreation/arena	843,229	634,951
Water maintenance	285,357	200,245
Sewer maintenance	442,745	397,213
General capital projects	1,073,208	967,087
Library	84,660	78,056
Total Reserves	14,578,416	12,963,309

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

10. ACCUMULATED SURPLUS, continued

	2021	2020
	\$	\$
Reserve Funds		
Fire	24,121	22,841
Water system	115,540	38,898
Sewer	1,730,337	1,493,976
General	40,424	38,295
Public accounts	3,945	3,735
Total Reserve Funds	1,914,367	1,597,745
	46,289,322	43,846,852

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 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
Salaries and benefits	2,960,706	2,710,572	2,612,655
Materials	1,849,126	1,837,404	1,848,306
Contracted services	2,509,547	2,202,799	2,285,168
Rents and financial	8,100	72,842	7,538
External transfers	275,179	290,504	272,949
Amortization	1,701,887	1,723,053	1,701,890
	9,304,545	8,837,174	8,728,506

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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 2021 Annual Report disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets of \$117,665 million indicating an actuarial deficit of \$3,131 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 2021 were \$185,726 (2020 - \$159,021).

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 \$302,154 (2020 - \$292,712) 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, 2021 there was no balance outstanding.

17. BUDGET FIGURES

The budget, approved by the Township, for 2021 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

TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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

TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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, 2021

	General				Infrastructure		Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Equipment	Roads and Bridges	Water and Sewer		
	\$	\$	\$	\$	\$	\$	\$	\$
COST								
Balance, beginning of year	837,720	3,413,878	16,637,428	7,139,116	12,332,627	8,497,486	413,060	49,271,315
Add: additions during the year	672,455	-	13,508	385,853	643,722	-	340,134	2,055,672
Less: disposals during the year	3	-	4,147	53,014	-	-	6,295	63,459
Internal transfers	65,418	(65,418)	-	48,561	-	-	(48,561)	-
Balance, end of year	1,575,590	3,348,460	16,646,789	7,520,516	12,976,349	8,497,486	698,338	51,263,528
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	1,254,137	7,856,150	3,092,159	4,264,621	3,147,215	-	19,614,282
Add: additions during the year	-	69,303	448,600	375,667	693,176	136,307	-	1,723,053
Less: disposals during the year	-	-	4,147	53,014	-	-	-	57,161
Balance, end of year	-	1,323,440	8,300,603	3,414,812	4,957,797	3,283,522	-	21,280,174
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,575,590	2,025,020	8,346,186	4,105,704	8,018,552	5,213,964	698,338	29,983,354

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2021

	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	1,546,851	2,438,351	1,612,233	-	278,925	63,104	683,935	267,276	6,890,675
User charges	43,621	125,366	201,964	995,763	195,386	41,609	33,736	19,122	1,656,567
Government transfers - operating	1,340,300	37,802	-	4,775	-	-	51,994	-	1,434,871
Government transfers - capital	-	-	63,684	-	-	-	8,484	-	72,168
Other municipalities	-	3,000	-	-	-	-	-	-	3,000
Penalties and interest on taxes	104,999	-	-	-	-	-	-	-	104,999
Investment income	265,499	62,437	55,144	88,308	5,547	751	30,685	4,382	512,753
Other grants	-	-	-	-	-	-	1,463	-	1,463
Parkland fees earned	-	-	-	-	-	-	3,941	-	3,941
Federal gas tax earned	-	-	463,080	-	-	-	-	-	463,080
Gain/(loss) on disposal of tangible capital assets	136,127	-	-	-	-	-	-	-	136,127
Total revenues	3,437,397	2,666,956	2,396,105	1,088,846	479,858	105,464	814,238	290,780	11,279,644
Expenses									
Salaries and benefits	870,163	595,940	594,229	37,950	186,566	7,204	373,251	45,269	2,710,572
Materials	339,886	238,265	567,004	364,832	106,185	40,404	177,012	3,816	1,837,404
Contracted services	97,502	1,265,317	261,046	319,052	54,564	70,091	24,806	110,421	2,202,799
Rents and financial	69,572	-	3,219	-	-	-	51	-	72,842
External transfers	-	283,004	-	-	-	7,500	-	-	290,504
Amortization	63,898	111,871	865,863	510,793	17,736	4,521	148,371	-	1,723,053
Total expenses	1,441,021	2,494,397	2,291,361	1,232,627	365,051	129,720	723,491	159,506	8,837,174
Net surplus/(deficit)	1,996,376	172,559	104,744	(143,781)	114,807	(24,256)	90,747	131,274	2,442,470

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	104,184	139,828	175,599	954,681	168,860	28,883	54,495	16,550	1,643,080
Government transfers - operating	1,330,829	71,828	-	-	52,144	-	54,748	7,225	1,516,774
Government transfers - capital	-	-	72,123	-	-	-	-	-	72,123
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
Gain/(loss) on disposal of tangible capital assets	(2,614)	-	-	-	-	-	-	-	(2,614)
Total revenues	2,729,658	2,644,256	2,357,004	1,007,852	680,373	162,115	817,679	275,497	10,674,434
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	94,077	62,550	233,876	2,498	1,848,306
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
Total expenses	1,340,101	2,380,399	2,042,370	1,360,129	499,987	152,439	810,674	142,407	8,728,506
Net surplus/(deficit)	1,389,557	263,857	314,634	(352,277)	180,386	9,676	7,005	133,090	1,945,928

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

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2021

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**D: 705.742-3418
F: 705.742-9775www.bakertilly.ca

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, 2021 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

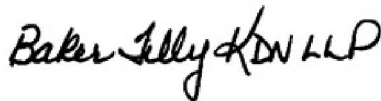
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

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, 2021 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 AccountantsPeterborough, Ontario
May 3, 2023

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	20,879	41,846
Due from Township	6,898	-
Investments (note 2)	56,883	53,837
TOTAL FINANCIAL ASSETS	84,660	95,683
LIABILITIES		
Due to Township	-	17,627
NET FINANCIAL ASSETS	84,660	78,056
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	374,832	393,928
ACCUMULATED SURPLUS (note 4)	459,492	471,984

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, 2021

	Budget 2021 \$ (Note 5)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Municipal funding (note 6)	94,471	110,296	120,922
Government of Canada	-	-	4,200
Province of Ontario	20,773	20,773	20,773
Interest	-	3,047	2,068
Other	100	1,462	11
TOTAL REVENUES	115,344	135,578	147,974
EXPENSES			
Salaries and benefits	72,009	64,133	67,474
Amortization	41,182	41,209	41,182
Repairs and maintenance	8,250	10,754	7,859
Utilities	17,292	15,057	15,569
Supplies	9,900	8,845	8,000
Administrative	6,930	3,768	5,240
Insurance	4,205	4,304	3,440
TOTAL EXPENSES	159,768	148,070	148,764
ANNUAL DEFICIT	<u>(44,424)</u>	(12,492)	(790)
ACCUMULATED SURPLUS - beginning of year		471,984	472,774
ACCUMULATED SURPLUS - end of year		459,492	471,984

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, 2021

	Budget 2021 \$ (Note 5)	Actual 2021 \$	Actual 2020 \$
ANNUAL DEFICIT	(44,424)	(12,492)	(790)
Amortization of tangible capital assets	41,182	41,209	41,182
Acquisition of tangible capital assets	(36,000)	(22,113)	(12,232)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(39,242)	6,604	28,160
NET FINANCIAL ASSETS - beginning of year	78,056	78,056	49,896
NET FINANCIAL ASSETS - end of year	38,814	84,660	78,056

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, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(12,492)	(790)
Items not involving cash		
Amortization of tangible capital assets	41,209	41,182
Change in non-cash assets and liabilities		
Due from Township	(6,898)	-
Due to Township	(17,627)	(5,320)
Net change in cash from operating activities	4,192	35,072
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(22,113)	(12,232)
INVESTING ACTIVITIES		
Purchase of investments	(3,046)	(1,836)
NET CHANGE IN CASH	(20,967)	21,004
CASH - beginning of year	41,846	20,842
CASH - end of year	20,879	41,846

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, 2021

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, 2021

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 \$	2021 Cost \$	2020 Cost \$
ONE funds - corporate bond portfolio	42,807	28,498	27,961
ONE funds - equity portfolio	27,704	28,385	25,876
	70,511	56,883	53,837

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

3. TANGIBLE CAPITAL ASSETS

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

	Land Improvements \$	Building \$	Books and Equipment \$	2021 Totals \$	2020 Totals \$
COST					
Balance, beginning of year	16,048	889,066	181,966	1,087,080	1,091,739
Add: additions during the year	-	-	22,113	22,113	12,232
Less: disposals during the year	-	-	15,661	15,661	16,891
Balance, end of year	16,048	889,066	188,418	1,093,532	1,087,080
ACCUMULATED AMORTIZATION					
Balance, beginning of year	13,122	557,996	122,034	693,152	668,861
Add: additions during the year	279	23,787	17,143	41,209	41,182
Less: disposals during the year	-	-	15,661	15,661	16,891
Balance, end of year	13,401	581,783	123,516	718,700	693,152
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	2,647	307,283	64,902	374,832	393,928

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021 \$	2020 \$
Invested In Capital Assets		
Tangible capital assets - net book value	374,832	393,928
Surplus	374,832	393,928
Reserve		
Future acquisition of tangible capital assets	84,660	78,056
	459,492	471,984

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

5. BUDGET FIGURES

The operating budget, approved by the Board, for 2021 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:

	2021	2020
	\$	\$
Allocated costs:		
Insurance	4,304	3,440
Professional fees	530	530
	4,834	3,970
Unallocated costs:		
Water and sewer	1,428	1,428
	6,262	5,398

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, 2021

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, 2021, 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, 2021, 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
May 3, 2023

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	118,602	100,716
Accounts receivable	3,050	2,831
TOTAL FINANCIAL ASSETS	121,652	103,547
LIABILITIES		
Accounts payable	1,125	1,125
Due to Trust Fund	7,042	4,657
TOTAL LIABILITIES	8,167	5,782
NET FINANCIAL ASSETS	113,485	97,765
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	24,142	25,421
ACCUMULATED SURPLUS (note 3)	137,627	123,186

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Municipal funding (note 6)	63,104	63,104	63,104
Grave openings	10,500	16,550	11,850
Sale of interment rights	5,228	13,237	8,543
Donations and other	4,300	7,504	3,587
Transfer from Perpetual Care Trust Fund	5,411	4,317	4,903
TOTAL REVENUES	88,543	104,712	91,987
EXPENSES			
Contracts - operations	71,402	70,090	70,735
Contracts - administration	7,204	7,204	7,133
Supplies and services	6,537	8,522	13,107
Board and administration costs	3,400	3,176	1,590
Amortization	1,279	1,279	1,279
TOTAL EXPENSES	89,822	90,271	93,844
ANNUAL SURPLUS/(DEFICIT)	<u>(1,279)</u>	14,441	(1,857)
ACCUMULATED SURPLUS - beginning of year		123,186	125,043
ACCUMULATED SURPLUS - end of year		137,627	123,186

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
ANNUAL SURPLUS/(DEFICIT)	(1,279)	14,441	(1,857)
<u>Amortization of tangible capital assets</u>	1,279	1,279	1,279
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	-	15,720	(578)
NET FINANCIAL ASSETS - beginning of year	97,765	97,765	98,343
NET FINANCIAL ASSETS - end of year	97,765	113,485	97,765

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, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	14,441	(1,857)
Items not involving cash		
Amortization of tangible capital assets	1,279	1,279
Change in non-cash assets and liabilities		
Accounts receivable	(219)	592
Due to Trust Fund	2,385	1,319
NET CHANGE IN CASH	17,886	1,333
CASH - beginning of year	100,716	99,383
CASH - end of year	118,602	100,716

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, 2021

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, 2021

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 \$	2021 Totals \$	2020 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	-	23,355	1,716	25,071	23,792
Add: additions during the year	-	967	312	1,279	1,279
Balance, end of year	-	24,322	2,028	26,350	25,071
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	3	10,573	13,566	24,142	25,421

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

**BELMONT-METHUEN-HAVELOCK CEMETERY BOARD
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 2021**

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
Surplus		
Operations	113,485	97,765
Invested In Capital Assets		
Tangible capital assets - net book value	24,142	25,421
	137,627	123,186

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2021 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 \$302,154 (2020 - \$292,712) 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, 2021

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, 2021, 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, 2021, 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
May 3, 2023

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



**BELMONT-METHUEN-HAVELOCK CEMETERY BOARD TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2021**

	Perpetual Care \$	Monument Care \$	Rockdale Cemetery \$	2021 Total \$	2020 Total \$
FINANCIAL ASSETS					
Cash	-	-	32,655	32,655	33,561
Investments (note 2)	146,757	35,352	80,348	262,457	254,494
Due from Cemetery Board	5,642	1,400	-	7,042	4,657
	152,399	36,752	113,003	302,154	292,712
FUND BALANCES					
Capital	152,399	36,752	100,000	289,151	280,117
Revenue	-	-	13,003	13,003	12,595
	152,399	36,752	113,003	302,154	292,712

**BELMONT-METHUEN-HAVELOCK CEMETERY BOARD TRUST FUNDS
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2021**

	Perpetual Care \$	Monument Care \$	Rockdale Cemetery \$	2021 Total \$	2020 Total \$
BALANCE - beginning of year	145,150	34,967	112,595	292,712	287,233
RECEIPTS					
Interest income earned	3,969	955	1,313	6,237	7,155
Capital gains	1,606	385	-	1,991	22
Care and maintenance funds	5,642	1,400	-	7,042	4,657
	11,217	2,740	1,313	15,270	11,834
EXPENSES					
Transfer to revenue fund	2,740	672	905	4,317	4,903
Trustee fees	1,228	283	-	1,511	1,452
	3,968	955	905	5,828	6,355
BALANCE - end of year	152,399	36,752	113,003	302,154	292,712

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, 2021

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 \$	2021 Cost \$	2020 Cost \$
Scotiabank Bond Common Trust			
Scotiabank bond common trust fund	52,575	54,196	52,287
Scotiabank corporate bond common trust fund	136,853	127,913	123,173
	189,428	182,109	175,460
TD Mutual Funds			
TD monthly income fund - I series	20,217	13,122	12,773
TD Canadian core plus bond fund	38,469	32,111	34,473
TD comfort balanced portfolio	48,239	35,115	31,788
	106,925	80,348	79,034
	296,353	262,457	254,494

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, 2021

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.