

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**

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CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

For The Year Ended December 31, 2020

MANAGEMENT REPORT

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

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

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

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

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

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

Mayor

Treasurer

August 18, 2021

INDEPENDENT AUDITOR'S REPORT**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Municipality of Centre Hastings***Opinion*

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2020, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Municipality 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
August 30, 2021

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2020**

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	3,540,884	2,930,774
Investments (note 4)	895,103	886,724
Accounts receivable	346,756	1,180,837
Taxes receivable	816,273	746,132
TOTAL FINANCIAL ASSETS	5,599,016	5,744,467
LIABILITIES		
Accounts payable and accrued liabilities	883,073	1,639,426
Deferred revenue - obligatory reserve funds (note 7)	482,688	384,413
Deferred revenue - other (note 8)	145,092	51,888
Long term debt (note 9)	666,507	804,294
Landfill closure and post-closure liability (note 6)	272,100	164,000
TOTAL LIABILITIES	2,449,460	3,044,021
NET FINANCIAL ASSETS	3,149,556	2,700,446
NON-FINANCIAL ASSETS		
Tangible capital assets (note 10)	26,792,848	26,987,243
ACCUMULATED SURPLUS (note 11)	29,942,404	29,687,689

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Property taxation	4,844,795	4,870,985	4,510,842
User charges	1,482,415	1,522,290	1,482,649
Government of Canada	4,250	20,790	6,580
Province of Ontario	1,795,262	1,845,503	3,468,540
Other municipalities	222,063	226,236	214,417
Penalties and interest on taxes	118,000	124,604	135,762
Investment income	76,775	55,337	93,761
Donations	38,118	47,191	48,603
Other	26,385	11,179	160,791
Development charges earned	30,000	30,826	100,000
Federal gas tax earned	390,000	288,227	405,219
TOTAL REVENUES	9,028,063	9,043,168	10,627,164
EXPENSES			
General government	1,008,767	961,446	983,742
Protection services	1,596,884	1,607,600	1,567,068
Transportation services	3,102,962	3,028,549	2,880,156
Environmental services	1,532,744	1,458,575	1,343,551
Health services	362,205	353,491	308,491
Recreation and cultural services	1,264,794	1,038,614	1,253,764
Planning and development	313,871	340,178	248,200
TOTAL EXPENSES	9,182,227	8,788,453	8,584,972
ANNUAL SURPLUS/(DEFICIT)	<u>(154,164)</u>	254,715	2,042,192
ACCUMULATED SURPLUS - beginning of year		29,687,689	27,645,497
ACCUMULATED SURPLUS - end of year		29,942,404	29,687,689

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
ANNUAL SURPLUS/(DEFICIT)	(154,164)	254,715	2,042,192
Amortization of tangible capital assets	1,655,224	1,805,156	1,655,224
Purchase of tangible capital assets	(1,675,550)	(1,679,260)	(3,886,774)
(Gain) loss on disposal of tangible capital assets	-	16,499	173,034
Proceeds on sale of tangible capital assets	-	52,000	-
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(174,490)	449,110	(16,324)
NET FINANCIAL ASSETS - beginning of year	2,700,446	2,700,446	2,716,770
NET FINANCIAL ASSETS - end of year	2,525,956	3,149,556	2,700,446

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



**CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020**

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	254,715	2,042,192
Items not involving cash		
Amortization of tangible capital assets	1,805,156	1,655,224
Loss on disposal of tangible capital assets	16,499	173,034
Change in landfill closure and post-closure liability	108,100	(12,000)
Change in non-cash assets and liabilities		
Accounts receivable	834,081	(717,859)
Taxes receivable	(70,141)	93,465
Accounts payable and accrued liabilities	(756,353)	203,320
Deferred revenue - obligatory reserve funds	98,275	167,305
Deferred revenue - other	93,204	(358,063)
Net change in cash from operating activities	2,383,536	3,246,618
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,679,260)	(3,886,774)
Proceeds on disposal of tangible capital assets	52,000	-
Net change in cash from capital activities	(1,627,260)	(3,886,774)
INVESTING ACTIVITIES		
Purchase of investments	(225,187)	(199,325)
Proceeds on disposal of investments	216,808	209,000
Net change in cash from investing activities	(8,379)	9,675
FINANCING ACTIVITIES		
Debt principal repayments	(137,787)	(131,527)
NET CHANGE IN CASH	610,110	(762,008)
CASH - beginning of year	2,930,774	3,692,782
CASH - end of year	3,540,884	2,930,774

The accompanying notes are an integral part of these financial statements

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting entity

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

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

- Centre Hastings Public Library 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	15-20 years
Buildings	40-60 years
Buildings improvements	20-30 years
Machinery and equipment	3-20 years
Vehicles	8-10 years
Roads and bridges	7-50 years
Water and sewer	40-50 years

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

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

(c) Non-financial assets

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of revenues and expenses

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

Taxation

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

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

Government funding

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

Other revenue

User charges are recognized as revenue in the year the goods and services are provided, with the exception of building permits that are recognized when the permits are issued.

Investment income is recorded when earned.

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

(e) Trust funds

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

(f) Reserves

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Deferred revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(h) Use of estimates

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

- The amounts recorded for landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs; and
- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values.

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2020, requisitions were made by the County of Hastings and School Boards requiring the Municipality 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 and payments in lieu requisitioned and remitted	984,802	1,457,918

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

3. CREDIT FACILITY AGREEMENT

The Municipality has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$900,000 via an operating line of credit. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2020-02. At December 31, 2020 there was no balance outstanding (2019 - \$Nil).

4. INVESTMENTS

Investments, recorded at cost, consist of the following:

	Market Value \$	Cost 2020 \$	Cost 2019 \$
BMO Nesbitt Burns			
Cash	13,043	13,043	11,367
Fixed income bonds with interest rates between 1.00% and 3.75%; maturing from 2021 to 2028	928,269	882,060	875,357
	941,312	895,103	886,724

5. PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 2020 Annual Report disclosed total actuarial liabilities of \$113,055 million in respect of benefits accrued for service with actuarial assets of \$109,844 million indicating an actuarial deficit of \$3,211 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit.

The Municipality's required contributions to OMERS in 2020 were \$161,859 (2019 - \$145,144).

6. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The estimated liability for landfill closure and post-closure costs for the one site the Municipality operates is \$272,100 (2019 - \$164,000). 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. The Municipality has a landfill closure reserve of \$385,860 (2019 - \$385,860) and the remaining landfill closure and post-closure liability, if any, will be funded from taxation. There are no specific assets designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining life of the landfill. The Municipality's practice is to cover the landfill cells as they are utilized with material from other Municipal properties. The remaining capacity of the landfill site is estimated at 136,750 m³ (2019 - 141,450 m³) which is 42.9% (2019 - 44.0%) of the site's total capacity. The total discounted future cash flows for closure and post-closure cost is estimated at \$476,258 (2019 - \$292,524) as at December 31, 2020 using a discount rate of 3% and an inflation rate of 2%. The landfill is expected to reach its capacity in 2107 based upon the average recent fill rate.

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

7. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

	2020	2019
	\$	\$
Parkland fees	48,499	32,999
Development charges	247,309	168,351
Federal gas tax	186,880	183,063
	482,688	384,413

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

	2020	2019
	\$	\$
Balance - beginning of year	384,413	217,108
Add amounts received:		
Development charges	109,784	60,498
Parkland fees	15,500	24,000
Federal gas tax	289,650	584,438
Interest	2,394	3,588
	417,328	672,524
Less transfer to operations:		
Development charges earned	30,826	100,000
Federal gas tax earned	288,227	405,219
	319,053	505,219
Balance - end of year	482,688	384,413

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

8. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2020	2019
	\$	\$
Ontario Cannabis Legalization Implementation Fund	15,000	15,000
Safe Restart	126,177	-
AMO Downtown Revitalization	-	30,357
Other	3,915	6,531
	145,092	51,888

The continuity of deferred revenue - other is as follows:

	2020	2019
	\$	\$
Balance - beginning of year	51,888	409,951
Add amounts received:		
Ontario Cannabis Legalization Implementation Fund	-	15,000
Safe Restart	172,400	-
Other	4,750	3,280
	177,150	18,280
Less transfer to operations:		
Safe Restart	46,223	-
AMO Downtown Revitalization	30,357	11,512
Connecting Link funds earned	-	347,552
Other	7,366	17,279
	83,946	376,343
Balance - end of year	145,092	51,888

9. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2020 \$	2019 \$
Loan from Community Futures Development Corporation to assist in the construction of the medical centre. The loan is repayable, by the Municipality, in monthly principal and interest instalments of \$1,895, with interest at 3.95% per annum. The balance of the loan was paid off in February 2021.	66,889	87,385
Debenture from Ontario Infrastructure Projects Corporation, repayable in blended semi-annual instalments of \$74,571 with interest at 4.63% per annum, due May 20, 2025. Secured by the Tri-Area Medical Centre building.	599,618	716,909
	666,507	804,294

- (b) The long term debt in (a) issued in the name of the Municipality have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (c) Interest paid during the year on long term debt amounted to \$33,979 (2019 - \$39,874).
- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2021	189,674	26,357	216,031
2022	128,536	20,606	149,142
2023	134,556	14,586	149,142
2024	140,858	8,284	149,142
2025	72,883	1,687	74,570
	666,507	71,520	738,027

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

10. TANGIBLE CAPITAL ASSETS

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

	2020	2019
	\$	\$
General		
Land and land improvements	1,226,152	1,184,109
Buildings and building improvements	6,614,394	5,961,770
Machinery and equipment	1,033,508	678,790
Vehicles	1,034,426	919,229
Infrastructure		
Roads and bridges	12,164,133	12,239,802
Water and sewer	4,673,913	3,409,581
	26,746,526	24,393,281
Assets under construction	46,322	2,593,962
	26,792,848	26,987,243

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

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

The allocation of tangible capital assets by segment is as follows:

	2020	2019
	\$	\$
General government	614,680	589,053
Protection services	771,669	880,987
Transportation services	12,934,171	13,045,827
Environmental services	6,022,893	5,999,289
Health services	3,166,333	3,242,341
Recreation and cultural services	3,027,525	3,069,056
Planning and development	255,577	160,690
	26,792,848	26,987,243

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



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

11. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2020	2019
	\$	\$
Surplus/(Deficit)		
Unfunded landfill closure and post-closure costs	(272,100)	(164,000)
Centre Hastings Public Library Board	39,379	31,409
	(232,721)	(132,591)
Invested In Capital Assets		
Tangible capital assets - net book value	26,792,848	26,987,243
Long term debt	(666,507)	(804,294)
Unfunded capital - see part (b) below	(2,124,292)	(2,016,303)
	24,002,049	24,166,646
Surplus	23,769,328	24,034,055
Reserves		
Working fund	1,283,072	1,413,016
General capital	684,014	687,175
Emergency measures	28,548	15,415
Fire capital	234,162	133,594
Roads capital	424,787	321,939
OMERS - past service	4,512	4,512
Recreation	105,413	100,168
Landfill	395,299	385,860
Arena	60,878	78,963
Whytock recreation	219,658	97,249
Septage	1,145,000	1,145,000
Waste disposal equipment	45,319	45,319
Nesbitt Burns	895,103	886,724
Hydro sale	49,251	35,251
Tax write-off	138,515	171,400
Cemeteries	31,873	20,393
Water and sewer	383,047	101,644
Medical centre	34,625	5,012
Election	10,000	5,000
Total Reserves	6,173,076	5,653,634
	29,942,404	29,687,689

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



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

11. ACCUMULATED SURPLUS, continued

(b) Unfunded capital consists of the following:

	2020	2019
	\$	\$
Medical Centre	(364,467)	(414,467)
Fire department truck chassis	(70,988)	(90,988)
Playground and recreation areas	-	(4,500)
Splash pad	(129,200)	(162,100)
Community arts building	(137,100)	(154,200)
Roads	(125,833)	(183,933)
New water source	(1,296,704)	(1,006,115)
	(2,124,292)	(2,016,303)

12. EXPENSES BY OBJECT

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

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
Salaries and benefits	3,167,377	2,863,039	2,950,727
Interest charges	34,070	33,979	39,874
Materials	2,783,154	2,443,967	2,310,096
Contracted services	1,432,218	1,524,898	1,355,800
Rents and financial	47,100	33,729	39,877
External transfers	63,084	67,186	60,340
Amortization	1,655,224	1,805,156	1,655,224
Loss (gain) on disposal of tangible capital assets	-	16,499	173,034
	9,182,227	8,788,453	8,584,972

13. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$155,621 (2019 - \$154,673) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

14. BUDGET FIGURES

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

15. CONTINGENT LIABILITIES

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

16. SEGMENTED INFORMATION

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

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

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

General Government

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

Protection Services

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

Transportation Services

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

Water and Sewer

This function is responsible for providing water and sewer services to the urban area in the Municipality.

Other Environmental Services

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

16. SEGMENTED INFORMATION, continued

Health Services

The health services function consists of cemeteries, ambulance base 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 programs and library services.

Planning and Development

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

17. UNCERTAINTY CAUSED BY COVID-19

In March 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Municipality'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 Municipality's operations. The extent of the impact of this outbreak and related containment measures on the Municipality's operations cannot be reliably estimated at this time.

18. COMPARATIVE FIGURES

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

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS



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

	General				Infrastructure		Assets Under Construction \$	Totals \$
	Land and Land Improvements \$	Buildings and Building Improvements \$	Machinery and Equipment \$	Vehicles \$	Roads and Bridges \$	Water and Sewer \$		
COST								
Balance, beginning of year	1,756,342	8,438,393	1,832,420	2,295,991	45,025,132	4,939,720	2,593,962	66,881,960
Add: additions during the year	-	19,280	247,343	40,823	1,073,314	-	298,500	1,679,260
Less: disposals during the year	-	-	131,102	121,697	553,134	-	-	805,933
Internal transfers	94,886	816,708	291,433	276,062	-	1,367,051	(2,846,140)	-
Balance, end of year	1,851,228	9,274,381	2,240,094	2,491,179	45,545,312	6,306,771	46,322	67,755,287
ACCUMULATED AMORTIZATION								
Balance, beginning of year	572,233	2,476,623	1,153,630	1,376,762	32,785,330	1,530,139	-	39,894,717
Add: additions during the year	52,843	183,364	144,783	177,348	1,144,099	102,719	-	1,805,156
Less: disposals during the year	-	-	91,827	97,357	548,250	-	-	737,434
Balance, end of year	625,076	2,659,987	1,206,586	1,456,753	33,381,179	1,632,858	-	40,962,439
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,226,152	6,614,394	1,033,508	1,034,426	12,164,133	4,673,913	46,322	26,792,848

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS



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	(750,569)	1,480,209	2,351,226	-	516,625	213,230	862,939	197,325	4,870,985
User charges	70,547	191,085	6,199	831,080	86,320	161,346	150,181	25,532	1,522,290
Government transfers - operating	1,540,165	23,382	60,000	-	-	17,500	28,252	-	1,669,299
Government transfers - capital	-	-	193,634	-	-	-	3,360	-	196,994
Other municipalities	-	-	-	-	31,331	68,091	126,814	-	226,236
Penalties and interest on taxes	124,604	-	-	-	-	-	-	-	124,604
Investment income	50,555	-	-	-	-	4,782	-	-	55,337
Donations	245	22,039	-	-	-	3,000	21,907	-	47,191
Other	-	78	8,685	-	-	-	-	2,416	11,179
Developer contributions earned	-	-	-	-	-	-	-	30,826	30,826
Federal gas tax earned	-	-	288,227	-	-	-	-	-	288,227
Total revenues	1,035,547	1,716,793	2,907,971	831,080	634,276	467,949	1,193,453	256,099	9,043,168
Expenses									
Salaries and benefits	688,479	367,055	688,208	198,262	210,459	25,414	545,764	139,398	2,863,039
Interest charges	-	-	-	-	-	33,979	-	-	33,979
Materials	240,841	234,948	980,412	184,297	117,198	208,663	307,492	170,116	2,443,967
Contracted services	-	839,300	70,789	230,940	345,281	-	7,924	30,664	1,524,898
Rents and financial	6,379	-	27,350	-	-	-	-	-	33,729
External transfers	6,500	57,105	-	-	-	3,581	-	-	67,186
Amortization	19,247	116,853	1,237,630	149,863	22,275	81,854	177,434	-	1,805,156
Loss (gain) on disposal of tangible capital assets	-	(7,661)	24,160	-	-	-	-	-	16,499
Total expenses	961,446	1,607,600	3,028,549	763,362	695,213	353,491	1,038,614	340,178	8,788,453
Net surplus/(deficit)	74,101	109,193	(120,578)	67,718	(60,937)	114,458	154,839	(84,079)	254,715

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS



CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2019

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	(876,929)	1,679,281	2,260,845	-	474,350	(22,158)	789,398	206,055	4,510,842
User charges	90,461	105,710	11,424	790,836	61,804	156,760	241,529	24,125	1,482,649
Government transfers - operating	2,159,518	-	-	14,957	-	-	16,082	-	2,190,557
Government transfers - capital	-	-	850,835	432,048	-	-	1,680	-	1,284,563
Other municipalities	-	-	-	-	26,886	64,251	123,280	-	214,417
Penalties and interest on taxes	135,762	-	-	-	-	-	-	-	135,762
Investment income	91,536	-	-	-	-	2,225	-	-	93,761
Donations	-	18,037	-	-	-	200	26,926	3,440	48,603
Other	-	-	106,663	-	-	10,547	40,859	2,722	160,791
Developer contributions earned	-	-	100,000	-	-	-	-	-	100,000
Federal gas tax earned	-	-	405,219	-	-	-	-	-	405,219
Total revenues	1,600,348	1,803,028	3,734,986	1,237,841	563,040	211,825	1,239,754	236,342	10,627,164
Expenses									
Salaries and benefits	629,458	376,468	618,714	276,361	211,808	23,284	642,550	172,084	2,950,727
Interest charges	-	-	-	-	-	39,874	-	-	39,874
Materials	301,915	195,666	798,998	163,604	178,474	161,534	433,789	76,116	2,310,096
Contracted services	7,156	852,112	86,918	203,466	198,094	-	8,054	-	1,355,800
Rents and financial	28,587	-	11,290	-	-	-	-	-	39,877
External transfers	2,500	55,120	-	-	-	2,720	-	-	60,340
Amortization	14,126	87,702	1,191,202	89,469	22,275	81,079	169,371	-	1,655,224
Loss (gain) on disposal of tangible capital assets	-	-	173,034	-	-	-	-	-	173,034
Total expenses	983,742	1,567,068	2,880,156	732,900	610,651	308,491	1,253,764	248,200	8,584,972
Net surplus/(deficit)	616,606	235,960	854,830	504,941	(47,611)	(96,666)	(14,010)	(11,858)	2,042,192

INDEPENDENT AUDITOR'S REPORT**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Municipality of Centre Hastings***Opinion*

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

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

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
August 30, 2021

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



**TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2020**

	Perpetual Care \$	Monument \$	2020 Total \$	2019 Total \$
FINANCIAL ASSETS				
Cash	191	1	192	191
Investments (note 2)	154,110	7,448	161,558	160,612
	154,301	7,449	161,750	160,803
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to Municipality	5,185	944	6,129	6,130
FUND BALANCE	149,116	6,505	155,621	154,673
	154,301	7,449	161,750	160,803

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



**TRUST FUNDS
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2020**

	Perpetual Care \$	Monument \$	2020 Total \$	2019 Total \$
BALANCES - beginning of year	148,170	6,503	154,673	152,952
RECEIPTS				
Investment income	3,830	220	4,050	3,965
Transfer from Municipality	940	-	940	1,721
	4,770	220	4,990	5,686
EXPENSES				
Transfer to Municipality	3,376	157	3,533	3,474
Administration fees	448	61	509	491
	3,824	218	4,042	3,965
BALANCES - end of year	149,116	6,505	155,621	154,673

The accompanying notes are an integral part of these financial statements

**TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

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

(b) Use of Estimates

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

2. INVESTMENTS

Investments in mutual funds, recorded at cost, consist of the following:

	Market Value \$	2020 Cost \$	2019 Cost \$
Perpetual care fund	157,836	154,110	153,164
Monument fund	7,835	7,448	7,448
	165,671	161,558	160,612

3. CARE AND MAINTENANCE FUNDS

The Perpetual Care and Maintenance Funds administered by the Municipality are funded by the sale of cemetery plots, monuments, markers and niches. These funds are invested and earnings derived there from are used to perform care and maintenance for the Municipality's cemeteries. The operations and investments of the Fund are undertaken by the Municipality in accordance with the regulations of the Funeral, Burial and Cremation Services Act, 2002.

4. CEMETERY MONUMENT FUND

The Monument Fund administered by the Municipality 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 Municipality's cemeteries. The operations and investments of the Fund are undertaken by the Municipality in accordance with the regulations of the Funeral, Burial and Cremation Services Act, 2002.

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**

CENTRE HASTINGS PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

We have audited the financial statements of the Centre Hastings Public Library Board of the Corporation of the Municipality of Centre Hastings (the Board), which comprise the statement of financial position as at December 31, 2020, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many Public Library Boards, the Board derives revenue from donations and fundraising, 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 fundraising 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
August 30, 2021

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



**CENTRE HASTINGS PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2020**

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	34,879	29,985
Accounts receivable	8,671	4,810
Due from Municipality	135	135
TOTAL FINANCIAL ASSETS	43,685	34,930
LIABILITIES		
Accounts payable	4,306	3,521
NET FINANCIAL ASSETS	39,379	31,409
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	57,420	58,270
ACCUMULATED SURPLUS (note 3)	96,799	89,679

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



**CENTRE HASTINGS PUBLIC LIBRARY BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Municipality of Centre Hastings contribution			
Levy	87,493	87,493	80,479
Allocated repairs and maintenance (note 6)	-	10,296	5,191
Township of Madoc contribution	37,497	37,497	34,491
Government of Canada	-	3,360	1,680
Province of Ontario	11,462	11,282	11,642
Other grants	6,585	2,628	19,105
User fees	1,740	1,350	2,320
Donations and fundraising	1,500	564	10,638
Large print pool fees	10,500	13,650	11,340
TOTAL REVENUES	156,777	168,120	176,886
EXPENSES			
Salaries and benefits	115,357	112,962	103,912
Supplies and services	22,480	17,141	18,180
Periodicals	6,520	174	7,190
Repairs and maintenance	3,470	2,551	4,104
Amortization	16,264	17,876	16,264
Allocated repairs and maintenance (note 6)	-	10,296	5,191
TOTAL EXPENSES	164,091	161,000	154,841
ANNUAL SURPLUS/(DEFICIT)	<u>(7,314)</u>	7,120	22,045
ACCUMULATED SURPLUS - beginning of year		89,679	67,634
ACCUMULATED SURPLUS - end of year		96,799	89,679

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



**CENTRE HASTINGS PUBLIC LIBRARY BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
ANNUAL SURPLUS/(DEFICIT)	(7,314)	7,120	22,045
Amortization of tangible capital assets	16,264	17,876	16,264
Acquisition of tangible capital assets	(14,950)	(17,026)	(31,380)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(6,000)	7,970	6,929
NET FINANCIAL ASSETS - beginning of year	31,409	31,409	24,480
NET FINANCIAL ASSETS - end of year	25,409	39,379	31,409

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



**CENTRE HASTINGS PUBLIC LIBRARY BOARD
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020**

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	7,120	22,045
Items not involving cash		
Amortization of tangible capital assets	17,876	16,264
Change in non-cash assets and liabilities		
Accounts receivable	(3,861)	(2,157)
Accounts payable	785	427
Deferred revenue	-	(15,000)
Net change in cash from operating activities	21,920	21,579
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(17,026)	(31,380)
NET CHANGE IN CASH	4,894	(9,801)
CASH - beginning of year	29,985	39,786
CASH - end of year	34,879	29,985

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.

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

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

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

(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:

Books	7 years
Furniture and equipment	5 years

(d) Deferred revenue

Deferred revenue represents grants which have been received but for which the related expenditures have not yet occurred. These amounts will be recognized as revenues in the fiscal year the expenditures are incurred.

**CENTRE HASTINGS PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) 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.

(f) Inter-entity transactions

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

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

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

2. TANGIBLE CAPITAL ASSETS

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

	Books \$	Furniture and Equipment \$	2020 Totals \$	2019 Totals \$
COST				
Balance, beginning of year	88,715	36,542	125,257	100,712
Add: additions during the year	17,026	-	17,026	31,380
Less: disposals during the year	5,741	-	5,741	6,835
Balance, end of year	100,000	36,542	136,542	125,257
ACCUMULATED AMORTIZATION				
Balance, beginning of year	43,600	23,387	66,987	57,558
Add: additions during the year	17,876	-	17,876	16,264
Less: disposals during the year	5,741	-	5,741	6,835
Balance, end of year	55,735	23,387	79,122	66,987
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	44,265	13,155	57,420	58,270

**CENTRE HASTINGS PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
Surplus		
Operations	39,379	31,409
Invested In Capital Assets		
Tangible capital assets - net book value	57,420	58,270
	96,799	89,679

4. BUDGET FIGURES

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

5. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation. These changes did not effect the prior year annual surplus.

6. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Municipality of Centre Hastings.

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

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

	2020	2019
	\$	\$
Allocated costs:		
Repairs and maintenance	10,296	5,191

In addition, the Municipality provides rental of buildings to the Board at no cost.

All balances with the Municipality of Centre Hastings 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

In March 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.