

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**

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CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS

For The Year Ended December 31, 2019

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

September 23, 2020

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, 2019, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2019, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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
September 30, 2020

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



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

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	2,930,774	3,692,782
Investments (note 4)	886,724	896,399
Accounts receivable	1,180,837	462,978
Taxes receivable	746,132	839,597
TOTAL FINANCIAL ASSETS	5,744,467	5,891,756
LIABILITIES		
Accounts payable and accrued liabilities	1,639,426	1,436,106
Deferred revenue - obligatory reserve funds (note 7)	384,413	217,108
Deferred revenue - other (note 8)	51,888	409,951
Long term debt (note 9)	804,294	935,821
Landfill closure and post-closure liability (note 6)	164,000	176,000
TOTAL LIABILITIES	3,044,021	3,174,986
NET FINANCIAL ASSETS	2,700,446	2,716,770
NON-FINANCIAL ASSETS		
Tangible capital assets (note 10)	26,987,243	24,928,727
ACCUMULATED SURPLUS (note 11)	29,687,689	27,645,497

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Property taxation	4,456,994	4,510,842	4,187,457
User charges	1,479,650	1,482,649	1,440,730
Government of Canada	4,500	6,580	29,580
Province of Ontario	4,380,561	3,468,540	2,008,883
Other municipalities	212,086	214,417	209,616
Penalties and interest on taxes	114,500	135,762	129,566
Investment income	86,225	93,761	87,104
Donations	22,755	48,603	54,714
Other	204,570	160,791	1,405
Development charges earned	100,000	100,000	39,946
Parkland fees earned	-	-	37,547
Federal gas tax earned	485,694	405,219	326,096
TOTAL REVENUES	11,547,535	10,627,164	8,552,644
EXPENSES			
General government	938,060	983,742	806,750
Protection services	1,569,169	1,567,068	1,563,959
Transportation services	3,104,696	2,880,156	2,653,696
Environmental services	1,484,074	1,343,551	1,580,139
Health services	336,363	308,491	339,854
Recreation and cultural services	1,241,248	1,253,764	1,335,648
Planning and development	275,554	248,200	183,826
TOTAL EXPENSES	8,949,164	8,584,972	8,463,872
ANNUAL SURPLUS	<u>2,598,371</u>	2,042,192	88,772
ACCUMULATED SURPLUS - beginning of year		27,645,497	27,556,725
ACCUMULATED SURPLUS - end of year		29,687,689	27,645,497

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
ANNUAL SURPLUS	2,598,371	2,042,192	88,772
Amortization of tangible capital assets	1,503,146	1,655,224	1,503,146
Purchase of tangible capital assets	(5,519,269)	(3,886,774)	(1,695,494)
(Gain) loss on disposal of tangible capital assets	(1,000)	173,034	-
DECREASE IN NET FINANCIAL ASSETS	(1,418,752)	(16,324)	(103,576)
NET FINANCIAL ASSETS - beginning of year	2,716,770	2,716,770	2,820,346
NET FINANCIAL ASSETS - end of year	1,298,018	2,700,446	2,716,770

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, 2019**

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	2,042,192	88,772
Items not involving cash		
Amortization of tangible capital assets	1,655,224	1,503,146
Loss on disposal of tangible capital assets	173,034	-
Change in landfill closure and post-closure liability	(12,000)	8,000
Change in non-cash assets and liabilities		
Accounts receivable	(717,859)	276,755
Taxes receivable	93,465	(33,656)
Accounts payable and accrued liabilities	203,320	253,209
Deferred revenue - obligatory reserve funds	167,305	(29,657)
Deferred revenue - other	(358,063)	171,349
Net change in cash from operating activities	3,246,618	2,237,918
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(3,886,774)	(1,695,494)
INVESTING ACTIVITIES		
Purchase of investments	(199,325)	(73,097)
Proceeds on disposal of investments	209,000	78,352
Net change in cash from investing activities	9,675	5,255
FINANCING ACTIVITIES		
Debt principal repayments	(131,527)	(125,971)
NET CHANGE IN CASH	(762,008)	421,708
CASH - beginning of year	3,692,782	3,271,074
CASH - end of year	2,930,774	3,692,782

The accompanying notes are an integral part of these financial statements

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

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

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2019, 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	1,000,969	1,363,117

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 2019-03. At December 31, 2019 there was no balance outstanding (2018 - \$Nil).

4. INVESTMENTS

Investments, recorded at cost, consist of the following:

	Market Value \$	Cost 2019 \$	Cost 2018 \$
BMO Nesbitt Burns			
Cash	11,367	11,367	16,406
Fixed income bonds with interest rates between 1.00% and 3.75%; maturing from 2020 to 2028	880,212	875,357	879,993
	891,579	886,724	896,399

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 2019 Annual Report disclosed total actuarial liabilities of \$107,687 million in respect of benefits accrued for service with actuarial assets of \$104,290 million indicating an actuarial deficit of \$3,397 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit.

The Municipality's required contributions to OMERS in 2019 were \$145,144 (2018 - \$140,546).

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 \$164,000 (2018 - \$176,000). 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 reserve of \$385,860 (2018 - \$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 140,260 m³ (2018 - 141,450 m³) which is 44.0% (2018 - 44.3%) of the site's total capacity. The total discounted future cash flows for closure and post-closure cost is estimated at \$292,524 (2018 - \$316,565) as at December 31, 2019 using a discount rate of 3.5% and an inflation rate of 2%. The landfill is expected to reach its capacity in 2107 based upon the average recent fill rate.

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:

	2019 \$	2018 \$
Parkland fees	32,999	8,999
Development charges	168,351	207,852
Federal gas tax	183,063	257
	384,413	217,108

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

	2019 \$	2018 \$
Balance - beginning of year	217,108	246,765
Add amounts received:		
Development charges	60,498	88,432
Parkland fees	24,000	9,000
Federal gas tax	584,438	276,243
Interest	3,588	257
	672,524	373,932
Less transfer to operations:		
Development charges earned	100,000	39,946
Parkland fees	-	37,547
Federal gas tax earned	405,219	326,096
	505,219	403,589
Balance - end of year	384,413	217,108

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

8. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2019	2018
	\$	\$
Ontario Cannabis Legalization Implementation Fund	15,000	-
Connecting Link	-	347,552
AMO Downtown Revitalization	30,357	41,869
Other	6,531	20,530
	51,888	409,951

The continuity of deferred revenue - other is as follows:

	2019	2018
	\$	\$
Balance - beginning of year	409,951	238,602
Add amounts received:		
Ontario Cannabis Legalization Implementation Fund	15,000	-
Connecting Link	-	369,186
AMO Downtown Revitalization	-	41,869
Other	3,280	20,530
	18,280	431,585
Less transfer to operations:		
OCIF funds earned	-	190,263
AMO Downtown Revitalization	11,512	-
SWP funds earned	-	36,156
Connecting Link funds earned	347,552	21,634
Other	17,279	12,183
	376,343	260,236
Balance - end of year	51,888	409,951

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

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:

	2019 \$	2018 \$
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 \$1,855, with interest at 2.85% per annum, due February 1, 2020. Secured by Tri-Area Medical Centre land.	87,385	106,868
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.	716,909	828,953
	804,294	935,821

- (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 \$39,874 (2018 - \$45,431).
- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2020	204,676	34,068	238,744
2021	122,785	26,357	149,142
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
	804,294	105,588	909,882

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

10. TANGIBLE CAPITAL ASSETS

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

	2019	2018
	\$	\$
General		
Land and land improvements	1,184,109	1,223,461
Buildings and building improvements	5,961,770	6,037,888
Machinery and equipment	678,790	654,121
Vehicles	919,229	1,068,693
Infrastructure		
Roads and bridges	12,239,802	10,950,787
Water and sewer	3,409,581	3,266,421
	24,393,281	23,201,371
Assets under construction	2,593,962	1,727,356
	26,987,243	24,928,727

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

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

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

	2019	2018
	\$	\$
General government	589,053	603,180
Protection services	880,987	758,673
Transportation services	13,045,827	12,579,470
Environmental services	5,999,289	4,442,053
Health services	3,242,341	3,266,079
Recreation and cultural services	3,069,056	3,132,073
Planning and development	160,690	147,199
	26,987,243	24,928,727

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



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

11. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2019	2018
	\$	\$
Surplus/(Deficit)		
Unfunded landfill closure and post-closure costs	(164,000)	(176,000)
Centre Hastings Public Library Board	31,409	24,480
	(132,591)	(151,520)
Invested In Capital Assets		
Tangible capital assets - net book value	26,987,243	24,928,727
Long term debt	(804,294)	(935,821)
Unfunded capital - see part (b) below	(2,016,303)	(1,194,066)
	24,166,646	22,798,840
Surplus	24,034,055	22,647,320
Reserves		
Working fund	1,413,016	863,812
General capital	687,175	687,175
Emergency measures	15,415	12,915
Fire capital	133,594	193,900
Roads capital	321,939	112,896
OMERS - past service	4,512	4,512
Recreation	169,093	168,809
Landfill	385,860	385,860
Arena	78,963	52,463
Whytock recreation	28,324	28,324
Septage	1,145,000	1,145,000
Waste disposal equipment	45,319	45,319
Nesbitt Burns	886,724	896,399
Hydro sale	35,251	11,251
Tax write-off	171,400	171,400
Cemeteries	20,393	25,393
Water and sewer	101,644	187,737
Medical centre	5,012	5,012
Election	5,000	-
Total Reserves	5,653,634	4,998,177
	29,687,689	27,645,497

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



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

11. ACCUMULATED SURPLUS, continued

(b) Unfunded capital consists of the following:

	2019	2018
	\$	\$
Medical Centre	(414,467)	(414,467)
Fire department truck chassis	(90,988)	(90,988)
Playground and recreation areas	(4,500)	(32,000)
Splash pad	(162,100)	(162,100)
Community arts building	(154,200)	(154,200)
Roads	(183,933)	(246,420)
New water source	(1,006,115)	(93,891)
	(2,016,303)	(1,194,066)

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 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
Salaries and benefits	3,044,960	2,942,811	2,770,081
Interest charges	39,874	39,874	45,431
Materials	2,834,947	2,331,012	2,600,134
Contracted services	1,421,592	1,342,800	1,454,932
Rents and financial	45,070	39,877	29,965
External transfers	60,575	60,340	60,183
Amortization	1,503,146	1,655,224	1,503,146
Loss (gain) on disposal of tangible capital assets	(1,000)	173,034	-
	8,949,164	8,584,972	8,463,872

13. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$154,673 (2018 - \$152,952) 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 2019 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

15. CONTINGENT LIABILITIES

The Municipality, in the course of its operations, has been named in several 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 Municipality.

Other Environmental Services

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

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. SUBSEQUENT EVENTS

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

At the time of approval of these financial statements, the Municipality has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Temporarily closed most facilities for walk-in access;
- Property tax due dates were deferred;
- Working from home requirements were set up temporarily for those able to do so;
- Reduced revenues from user charges;
- Additional costs for enhanced facility cleaning and acquisition of personal protective equipment; and
- Additional costs for retrofitting offices and facilities in preparation for reopening to the public.

The Municipality plans to mitigate any additional operating costs with cost savings in other budget areas and tight controls over operating expenses.

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

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, 2019

	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	1,742,851	8,345,530	1,711,370	2,295,991	43,328,259	4,734,346	1,727,356	63,885,703
Add: additions during the year	13,491	92,863	127,885	-	1,773,312	232,480	1,646,743	3,886,774
Less: disposals during the year	-	-	6,835	-	856,576	27,106	-	890,517
Internal transfers	-	-	-	-	780,137	-	(780,137)	-
Balance, end 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
ACCUMULATED AMORTIZATION								
Balance, beginning of year	519,390	2,307,642	1,057,249	1,227,298	32,377,472	1,467,925	-	38,956,976
Add: additions during the year	52,843	168,981	103,216	149,464	1,100,311	80,409	-	1,655,224
Less: disposals during the year	-	-	6,835	-	692,453	18,195	-	717,483
Balance, end of year	572,233	2,476,623	1,153,630	1,376,762	32,785,330	1,530,139	-	39,894,717
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,184,109	5,961,770	678,790	919,229	12,239,802	3,409,581	2,593,962	26,987,243

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	-	-	2,888,510	-	466,625	100,775	847,877	207,055	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	601,318	1,456,414	101,786	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	919,077	1,580,161	4,464,437	1,237,841	555,315	334,758	1,298,233	237,342	10,627,164
Expenses									
Salaries and benefits	629,458	376,468	618,714	276,361	211,808	23,319	642,550	164,133	2,942,811
Interest charges	-	-	-	-	-	39,874	-	-	39,874
Materials	301,915	195,666	798,998	163,604	191,474	161,499	433,789	84,067	2,331,012
Contracted services	7,156	852,112	86,918	203,466	185,094	-	8,054	-	1,342,800
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)	(64,665)	13,093	1,584,281	504,941	(55,336)	26,267	44,469	(10,858)	2,042,192

CORPORATION OF THE MUNICIPALITY OF CENTRE HASTINGS



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

	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	762,137	71,338	1,832,503	-	234,791	166,073	913,156	207,459	4,187,457
User charges	73,955	130,317	2,960	761,723	63,424	157,528	225,014	25,809	1,440,730
Government transfers - operating	23,000	1,527,566	-	111,156	-	2,333	18,684	-	1,682,739
Government transfers - capital	-	-	163,782	190,262	-	-	1,680	-	355,724
Other municipalities	-	-	-	-	25,484	63,691	120,441	-	209,616
Penalties and interest on taxes	129,566	-	-	-	-	-	-	-	129,566
Investment income	84,873	-	-	-	-	2,225	6	-	87,104
Donations	-	-	-	-	-	-	15,487	39,227	54,714
Other	100	-	-	-	-	-	1,305	-	1,405
Developer contributions earned	-	-	39,946	-	-	-	-	-	39,946
Parkland fees earned	-	-	-	-	-	-	37,547	-	37,547
Federal gas tax earned	-	-	326,096	-	-	-	-	-	326,096
Total revenues	1,073,631	1,729,221	2,365,287	1,063,141	323,699	391,850	1,333,320	272,495	8,552,644
Expenses									
Salaries and benefits	555,224	363,064	692,995	198,215	204,317	26,514	604,823	124,929	2,770,081
Interest charges	-	-	-	-	-	45,431	-	-	45,431
Materials	218,706	171,768	760,186	541,588	96,284	188,850	565,125	57,627	2,600,134
Contracted services	-	888,361	127,482	218,573	213,484	-	5,762	1,270	1,454,932
Rents and financial	8,234	-	21,731	-	-	-	-	-	29,965
External transfers	5,050	54,133	-	-	-	1,000	-	-	60,183
Amortization	19,536	86,633	1,051,302	85,403	22,275	78,059	159,938	-	1,503,146
Total expenses	806,750	1,563,959	2,653,696	1,043,779	536,360	339,854	1,335,648	183,826	8,463,872
Net surplus/(deficit)	266,881	165,262	(288,409)	19,362	(212,661)	51,996	(2,328)	88,669	88,772

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, 2019, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2019, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
September 30, 2020

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



**TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	Perpetual Care \$	Monument \$	2019 Total \$	2018 Total \$
FINANCIAL ASSETS				
Cash	191	-	191	192
Investments (note 2)	153,164	7,448	160,612	158,890
	153,355	7,448	160,803	159,082
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to Municipality	5,185	945	6,130	6,130
FUND BALANCE	148,170	6,503	154,673	152,952
	153,355	7,448	160,803	159,082

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, 2019**

	Perpetual Care \$	Monument \$	2019 Total \$	2018 Total \$
BALANCES - beginning of year	146,599	6,353	152,952	151,402
RECEIPTS				
Investment income	3,753	212	3,965	4,142
Transfer from Municipality	1,571	150	1,721	1,550
	5,324	362	5,686	5,692
EXPENSES				
Transfer to Municipality	3,322	152	3,474	3,673
Administration fees	431	60	491	469
	3,753	212	3,965	4,142
BALANCES - end of year	148,170	6,503	154,673	152,952

The accompanying notes are an integral part of these financial statements

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the 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 \$	2019 Cost \$	2018 Cost \$
Perpetual care fund	153,673	153,164	151,594
Monument fund	7,423	7,448	7,296
	161,096	160,612	158,890

3. CARE AND MAINTENANCE FUNDS

The Perpetual Care Fund administered by the Municipality 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 Municipality's cemeteries. The operations and investments of the Fund are undertaken by the Municipality in accordance with the regulations of the Cemeteries Act.

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 Cemeteries Act.

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**

CENTRE HASTINGS PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2019

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, 2019, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2019, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many 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
September 30, 2020

**CORPORATION OF THE MUNICIPALITY OF
CENTRE HASTINGS**



**CENTRE HASTINGS PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	29,985	39,786
Accounts receivable	4,810	2,653
Due from Municipality	135	135
TOTAL FINANCIAL ASSETS	34,930	42,574
LIABILITIES		
Accounts payable	3,521	3,094
Deferred revenue	-	15,000
TOTAL LIABILITIES	3,521	18,094
NET FINANCIAL ASSETS	31,409	24,480
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	58,270	43,154
ACCUMULATED SURPLUS (note 3)	89,679	67,634

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Municipality of Centre Hastings contribution			
Levy	80,479	80,479	75,632
Allocated repairs and maintenance (note 5)	-	5,191	37,799
Township of Madoc contribution	34,491	34,491	32,414
Government of Canada	-	1,680	1,680
Province of Ontario	22,052	24,268	24,312
Other grants	-	17,820	358
User fees	1,728	2,319	2,428
Donations and fundraising	1,500	10,638	2,133
TOTAL REVENUES	140,250	176,886	176,756
EXPENSES			
Salaries and benefits	103,839	103,912	93,824
Supplies and services	21,887	18,180	24,430
Periodicals	1,135	7,190	1,166
Repairs and maintenance	4,570	4,104	2,036
Amortization	12,338	16,264	12,338
Allocated repairs and maintenance (note 5)	-	5,191	37,799
TOTAL EXPENSES	143,769	154,841	171,593
ANNUAL SURPLUS/(DEFICIT)	<u>(3,519)</u>	22,045	5,163
ACCUMULATED SURPLUS - beginning of year		67,634	62,471
ACCUMULATED SURPLUS - end of year		89,679	67,634

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, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
ANNUAL SURPLUS/(DEFICIT)	(3,519)	22,045	5,163
Amortization of tangible capital assets	12,338	16,264	12,338
Acquisition of tangible capital assets	(15,820)	(31,380)	(14,910)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(7,001)	6,929	2,591
NET FINANCIAL ASSETS - beginning of year	24,480	24,480	21,889
NET FINANCIAL ASSETS - end of year	17,479	31,409	24,480

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, 2019**

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	22,045	5,163
Items not involving cash		
Amortization of tangible capital assets	16,264	12,338
Change in non-cash assets and liabilities		
Accounts receivable	(2,157)	(524)
Accounts payable	427	(1,354)
Deferred revenue	(15,000)	15,000
Net change in cash from operating activities	21,579	30,623
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(31,380)	(14,910)
NET CHANGE IN CASH	(9,801)	15,713
CASH - beginning of year	39,786	24,073
CASH - end of year	29,985	39,786

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

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

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.

(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.

**CENTRE HASTINGS PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(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 \$	2019 Totals \$	2018 Totals \$
COST				
Balance, beginning of year	79,110	21,602	100,712	99,878
Add: additions during the year	16,440	14,940	31,380	14,910
Less: disposals during the year	6,835	-	6,835	14,076
Balance, end of year	88,715	36,542	125,257	100,712
ACCUMULATED AMORTIZATION				
Balance, beginning of year	37,762	19,796	57,558	59,296
Add: additions during the year	12,673	3,591	16,264	12,338
Less: disposals during the year	6,835	-	6,835	14,076
Balance, end of year	43,600	23,387	66,987	57,558
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	45,115	13,155	58,270	43,154

**CENTRE HASTINGS PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019	2018
	\$	\$
Surplus		
Operations	31,409	24,480
Invested In Capital Assets		
Tangible capital assets - net book value	58,270	43,154
	89,679	67,634

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2019 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

5. 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:

	2019	2018
	\$	\$
Allocated costs:		
Repairs and maintenance	5,191	37,799

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.

6. SUBSEQUENT EVENT

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