

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

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

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

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

TABLE OF CONTENTS

	Page Number
MANAGEMENT REPORT	
INDEPENDENT AUDITOR'S REPORT	
CONSOLIDATED FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Remeasurement Gains and Losses	3
Statement of Change in Net Financial Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 19
Schedule of Tangible Capital Assets	20
Schedules of Segment Disclosure	21 - 22
LOCAL BOARDS	
Havelock-Belmont-Methuen Library Board	23 - 35
Belmont-Methuen-Havelock Cemetery Board	36 - 53



CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

For The Year Ended December 31, 2023

MANAGEMENT REPORT

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


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


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

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

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

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



Mayor

Treasurer

February 11, 2025

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of Havelock-Belmont-Methuen and its local boards (the Township), which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2023, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
March 20, 2025



CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2023

	2023 \$	2022 \$
FINANCIAL ASSETS		
Cash (note 3)	10,489,944	9,656,617
Investments (note 4)	11,439,945	9,212,088
Accounts receivable	1,395,745	889,974
Taxes receivable	856,492	702,158
TOTAL FINANCIAL ASSETS	24,182,126	20,460,837
LIABILITIES		
Accounts payable and accrued liabilities	949,175	869,648
Deferred revenue - obligatory reserve funds (note 5)	394,927	392,968
Deferred revenue - other (note 6)	385,432	54,501
Asset retirement obligations (note 7)	1,184,405	-
Landfill post-closure liability (note 19)	-	290,700
TOTAL LIABILITIES	2,913,939	1,607,817
NET FINANCIAL ASSETS	21,268,187	18,853,020
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	31,198,635	29,869,036
Prepaid expenses	236,615	26,272
TOTAL NON-FINANCIAL ASSETS	31,435,250	29,895,308
	52,703,437	48,748,328
Comprised of:		
Accumulated surplus (note 9)	50,897,052	48,748,328
Accumulated remeasurement gains	1,806,385	-
	52,703,437	48,748,328

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
REVENUES			
Property taxation	7,143,144	7,352,787	6,958,517
User charges	1,596,308	1,874,358	1,677,991
Government of Canada	1,001,075	201,335	468,215
Province of Ontario	2,399,241	1,826,261	1,892,049
Other municipalities	3,050	6,800	5,700
Penalties and interest on taxes	110,000	133,402	111,835
Investment income	100,000	1,015,682	497,849
Other	600	9,431	148,820
Parkland fees earned (note 5)	-	-	59,988
Canada Community-Building Fund earned (note 5)	149,916	170,947	-
Gain/(loss) on disposal of tangible capital assets	-	12,741	464,825
TOTAL REVENUES	12,503,334	12,603,744	12,285,789
EXPENSES			
General government	1,688,016	1,814,642	1,544,543
Protection services	2,726,869	2,600,668	2,603,154
Transportation services	2,512,720	2,749,334	2,609,197
Environmental services	1,700,981	2,040,793	1,827,768
Health services	112,470	125,711	167,261
Recreation and cultural services	938,421	946,858	852,075
Planning and development	202,251	177,014	222,785
TOTAL EXPENSES	9,881,728	10,455,020	9,826,783
ANNUAL SURPLUS	<u>2,621,606</u>	2,148,724	2,459,006
ACCUMULATED SURPLUS - beginning of year		48,748,328	46,289,322
ACCUMULATED SURPLUS - end of year		50,897,052	48,748,328

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended December 31, 2023

	Actual 2023 \$	Actual 2022 \$
ACCUMULATED REMEASUREMENT GAINS AND LOSSES		
- beginning of year	-	-
Adjustment on adoption of the financial instruments standard (note 19)	911,982	-
Unrealized gain/(loss) on portfolio investments during the year	894,403	-
ACCUMULATED REMEASUREMENT GAINS AND LOSSES		
- end of year	1,806,385	-

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
ANNUAL SURPLUS	2,621,606	2,148,724	2,459,006
Amortization of tangible capital assets	1,765,507	1,928,175	1,765,507
Purchase of tangible capital assets	(7,060,222)	(2,483,506)	(1,731,304)
Loss/(gain) on disposal of tangible capital assets	-	(12,741)	(464,825)
Proceeds on sale of tangible capital assets	-	35,024	544,940
Change in prepaid expenses	-	(210,343)	30,491
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(2,673,109)	1,405,333	2,603,815
NET FINANCIAL ASSETS - beginning of year	18,853,020	18,853,020	16,249,205
ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD (note 19)	-	(796,551)	-
ADJUSTMENT ON ADOPTION OF THE FINANCIAL INSTRUMENTS STANDARD (note 19)	-	911,982	-
NET FINANCIAL ASSETS - beginning of year, as restated	18,853,020	18,968,451	16,249,205
INCREASE IN ACCUMULATED REMEASUREMENT GAINS	-	894,403	-
NET FINANCIAL ASSETS - end of year	16,179,911	21,268,187	18,853,020

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

	2023 \$	2022 \$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	2,148,724	2,459,006
Items not involving cash		
Amortization of tangible capital assets	1,928,175	1,765,507
Gain on disposal of tangible capital assets	(12,741)	(464,825)
Accretion expense	48,854	-
Change in landfill post-closure liability	(290,700)	(9,600)
Change in asset retirement obligation for closed landfill sites	339,000	-
Change in non-cash assets and liabilities		
Accounts receivable	(505,771)	(570,960)
Taxes receivable	(154,334)	(98,496)
Prepaid expenses	(210,343)	30,491
Accounts payable and accrued liabilities	79,525	(262,204)
Deferred revenue - obligatory reserve funds	1,959	97,430
Deferred revenue - other	330,931	(125,008)
Net change in cash from operating activities	3,703,279	2,821,341
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,483,506)	(1,731,304)
Proceeds on disposal of tangible capital assets	35,024	544,940
Net change in cash from capital activities	(2,448,482)	(1,186,364)
INVESTING ACTIVITIES		
Purchase of investments	(421,470)	(327,452)
Receipt of loan receivable	-	5,100,000
Net change in cash from investing activities	(421,470)	4,772,548
FINANCING ACTIVITIES		
Debt principal repayments	-	(5,100,000)
NET CHANGE IN CASH	833,327	1,307,525
CASH - beginning of year	9,656,617	8,349,092
CASH - end of year	10,489,944	9,656,617

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

The Township of Havelock-Belmont-Methuen is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting Entity

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

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

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

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

(b) Tangible Capital Assets

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

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

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

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

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Recognition of Revenues and Expenses

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

Property taxation

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

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

Government funding

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

Other revenue

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

Investment income is recorded when earned.

Canada Community-Building Fund and parkland fees are recognized in the period in which the related expenditures are recorded.

(d) Non-financial Assets

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

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Reserves and Reserve Funds

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

(f) Deferred Revenue

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

(g) Use of Estimates

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

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

In addition, the Township's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets in conjunction with estimates of expected asset retirement costs, as well as the timing and duration of these retirement costs.

(h) Asset Retirement Obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several of the buildings owned by the Township has also been recognized based on estimated future expenses for remediation or disposal. A liability for the retirement of wells has been recorded based on the estimate of future costs.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense and any amounts paid. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the accounting policies outlined in (b).

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(i) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Investments:	
Bond portfolio	Fair Value
Equity portfolio	Fair Value
Accounts receivable	Amortized Cost
Taxes receivable	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost

Fair value category: The Township manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF PETERBOROUGH

During 2023, requisitions were made by the County of Peterborough and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Amounts requisitioned and remitted	2,628,794	5,187,027

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

3. CASH

Cash is comprised of the following:

	2023 \$	2022 \$
Unrestricted	10,229,755	9,389,948
Restricted funds	260,189	266,669
	10,489,944	9,656,617

4. INVESTMENTS

Investments consist of the following:

	2023 \$	2022 \$
Recorded at cost		
ONE funds - corporate bond portfolio	-	4,434,229
ONE funds - equity portfolio	-	4,777,859
	-	9,212,088
Recorded at fair value		
ONE funds - corporate bond portfolio	4,137,012	-
ONE funds - equity portfolio	7,302,933	-
	11,439,945	-
	11,439,945	9,212,088

Book value of corporate bond portfolio and equity portfolio at December 31, 2023 are \$4,542,195 and \$5,091,361 respectively (2022 - \$4,434,229 and \$4,777,859).

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

	2023 \$	2022 \$
Parkland	103,186	91,973
Canada Community-Building Fund	291,741	300,995
	394,927	392,968

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

	2023 \$	2022 \$
Balance - beginning of year	392,968	295,538
Add amounts received:		
Parkland	2,000	2,000
Canada Community-Building Fund	149,916	143,670
Interest	20,990	11,748
	172,906	157,418
Less transfer to operations:		
Parkland fees earned	-	59,988
Canada Community-Building Fund earned	170,947	-
	170,947	59,988
Balance - end of year	394,927	392,968

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

6. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2023	2022
	\$	\$
Ontario Community Infrastructure Fund	226,113	27,501
Ontario Trillium Fund	130,500	-
Other	28,819	27,000
	385,432	54,501

The continuity of deferred revenue - other is as follows:

	2023	2022
	\$	\$
Balance - beginning of year	54,501	179,509
Add amounts received:		
Ontario Community Infrastructure Fund	211,910	227,817
Ontario Trillium Fund	130,500	-
Other	3,630	27,000
Interest	-	6,245
	346,040	261,062
Less transfer to operations:		
Safe Restart Agreement	-	166,070
Ontario Community Infrastructure Fund	13,298	215,000
Other	1,811	5,000
	15,109	386,070
Balance - end of year	385,432	54,501

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

7. ASSET RETIREMENT OBLIGATION

The Township's asset retirement obligation consists of the following:

(a) Landfill obligation

The Township owns three closed landfill sites which now operate as transfer stations. The liability for post-closure care has been recognized under PS 3280 – Asset Retirement Obligation. The costs were based upon the presently known obligations that will exist for 25 years after the year of closure. These costs were discounted to December 31, 2023 using a discount rate of 4.41% per annum.

(b) Asbestos obligation

The Township owns and operates several buildings and underground networks that are known to have asbestos, which represents a health hazard upon demolition of the asset and there is a legal obligation to remove it. Following the adoption of PS3280 – Asset retirement obligations, the Township recognized an obligation relating to the removal of the asbestos as estimated at January 1, 2023. Estimated costs have been discounted to the present value using a discount rate of 4.25% per annum.

(c) Wells

The Township owns and operates several wells. The liability for the closure of these sites and the costs to return the property to original state has been recognized under PS 3280 - Asset Retirement Obligation. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the sites. These costs were discounted to December 31, 2023 using a discount rate of 4.25% per annum.

Changes to the asset retirement obligation in the year are as follows:

	Landfill \$	Asbestos removal \$	Wells \$	Total \$
Asset Retirement Obligation				
Opening balance - January 1, 2023	-	-	-	-
Adjustment on adoption of the asset retirement obligation standard	371,000	761,096	35,455	1,167,551
Opening balance, as restated	371,000	761,096	35,455	1,167,551
Remediation costs incurred	(32,000)	-	-	(32,000)
Accretion expense	15,000	32,347	1,507	48,854
Closing balance	354,000	793,443	36,962	1,184,405

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

8. TANGIBLE CAPITAL ASSETS

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

	2023	2022
	\$	\$
General		
Land	1,827,378	1,744,783
Land improvements	1,923,752	1,959,075
Buildings	7,920,866	7,894,713
Equipment	4,859,649	4,500,366
Infrastructure		
Roads and bridges	8,352,218	8,325,375
Water and sewer	6,138,992	5,295,887
	31,022,855	29,720,199
Assets under construction	175,780	148,837
	31,198,635	29,869,036

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

During the year there were no write-downs of assets (2022 - \$Nil) and no interest capitalized (2022 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2023	2022
	\$	\$
General government	1,488,490	1,416,513
Protection services	1,627,405	1,160,743
Transportation services	9,782,023	9,853,550
Environmental services	14,791,018	14,176,597
Health services	21,585	22,864
Recreation and cultural services	3,488,114	3,238,769
	31,198,635	29,869,036

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

9. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023	2022
	\$	\$
Surplus/(Deficit)		
Unfunded landfill post-closure costs	-	(290,700)
Cemetery Board	81,850	94,412
	81,850	(196,288)
Invested In Capital Assets		
Tangible capital assets - net book value	31,198,635	29,869,036
Asset retirement obligations	(1,184,405)	-
	30,014,230	29,869,036
Surplus	30,096,080	29,672,748
Reserves		
Working funds	633,811	809,273
Roads capital	934,280	698,904
Roads equipment	769,926	788,486
Roads village	608,161	495,039
Facilities	776,907	746,301
Municipal elections	29,298	28,695
Environmental capital	88,132	77,813
Administration	8,295,236	7,362,318
Fire department	1,074,467	1,411,778
Building department equipment	655,610	524,431
Planning	449,705	470,175
Subdivider	4,855	4,855
Police services board	539,665	499,999
Parks/recreation/arena	815,111	822,728
Water maintenance	495,718	386,160
Sewer maintenance	926,521	817,792
General capital projects	1,317,329	1,179,329
Council	113,171	-
Storm response	123,761	-
Library	104,455	85,233
Total Reserves	18,756,119	17,209,309

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

9. ACCUMULATED SURPLUS, continued

	2023	2022
	\$	\$
Reserve Funds		
Fire	26,127	24,998
Water system	655,377	371,275
Sewer	1,310,978	1,424,028
Library	4,340	-
General	44,086	42,025
Public accounts	3,945	3,945
Total Reserve Funds	2,044,853	1,866,271
	50,897,052	48,748,328

10. EXPENSES BY OBJECT

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

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
Salaries and benefits	3,367,043	3,187,088	2,903,645
Interest charges	-	-	9,326
Materials	1,967,469	2,435,774	2,353,963
Contracted services	2,472,878	2,537,774	2,469,772
Rents and financial	8,550	62,958	28,822
External transfers	300,281	303,251	295,748
Amortization	1,765,507	1,928,175	1,765,507
	9,881,728	10,455,020	9,826,783

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

11. PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 2023 Annual Report disclosed total actuarial liabilities of \$136,185 million in respect of benefits accrued for service with actuarial assets of \$131,983 million indicating an actuarial deficit of \$4,202 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2023 were \$190,497 (2022 - \$169,130).

12. COMMITMENT

The Township has entered into a five year agreement for management, operations and maintenance services of the municipal water treatment facilities at an annual cost of \$356,830 for the first year and the remaining years will increase by 2% annually, plus any adjustment for maintaining the insurance. The term of the agreement is from January 1, 2021 to December 31, 2025. 2023 costs under this agreement were \$372,105 (2022 - \$364,476).

13. CONTINGENT LIABILITIES

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

14. TRUST FUNDS

Trust funds administered by the Township's Cemetery Board amounting to \$324,864 (2022 - \$310,356) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

15. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$250,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate per annum. At December 31, 2023 there was no balance outstanding.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

16. BUDGET FIGURES

The budget, approved by the Township, for 2023 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.

17. FINANCIAL INSTRUMENTS

The Township is exposed to the following risks in respect of certain of the financial instruments held:

(a) Market risk

The Township is exposed to certain market risks including changes in pricing and limited access to foreign markets with regards to their investments.

In the opinion of management, the Township is not exposed to any significant interest rate, credit, liquidity or currency risk.

18. COMPARATIVE FIGURES

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

19. CHANGES IN ACCOUNTING POLICIES

The Township has implemented the following sections which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations were adopted prospectively on January 1, 2023.

PS 1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the Township's consolidated financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The adoption of this standard did not have an impact on the Township's consolidated financial statements.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

19. CHANGES IN ACCOUNTING POLICIES, continued

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Township's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments.

In accordance with the provisions of this new standard, the Township reflected the following adjustments at January 1, 2023:

- An increase of \$911,982 to investments and an increase of \$911,982 to accumulated remeasurement gains/(losses) due to the unrealized gain of the Township investments previously held at cost being reclassified to accumulated remeasurement gains/(losses).

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability.

In accordance with the provisions of this new standard, the Township reflected the following adjustments at January 1, 2023:

Landfill Obligation

- A decrease of \$290,700 to landfill closure and post-closure liability to remove the liability recognized to December 31, 2022 under the old standard, an increase of \$371,000 to opening asset retirement obligation liability.

Asbestos Obligation

- An increase of \$761,096 to the tangible capital assets and a corresponding increase to the opening asset retirement obligation liability.

Other Obligation

- An increase of \$35,455 to other tangible capital asset accounts and a corresponding increase to the opening asset retirement obligation liability.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

20. SEGMENTED INFORMATION

The Township of Havelock-Belmont-Methuen is a municipal government organization that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segmented information.

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

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

General Government

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

Protection Services

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

Transportation Services

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

Water and Sewer

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

Environmental Services

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

Health Services

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

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and library services.

Planning and Development

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

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2023

	General				Infrastructure		Assets Under	Totals
	Land	Land	Buildings	Equipment	Roads and	Water and	Construction	
	\$	\$	\$	\$	\$	\$	\$	\$
COST								
Balance, beginning of year	1,744,783	3,347,757	16,526,420	8,292,699	14,003,690	8,713,806	148,837	52,777,992
Add: additions during the year	82,595	-	385,368	811,431	804,731	358,058	41,323	2,483,506
Less: disposals during the year	-	-	-	68,851	-	-	14,380	83,231
Asset retirement obligation	-	35,455	92,891	-	-	668,205	-	796,551
Balance, end of year	1,827,378	3,383,212	17,004,679	9,035,279	14,808,421	9,740,069	175,780	55,974,818
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	1,388,682	8,631,707	3,792,333	5,678,315	3,417,919	-	22,908,956
Add: additions during the year	-	70,778	452,106	444,245	777,888	183,158	-	1,928,175
Less: disposals during the year	-	-	-	60,948	-	-	-	60,948
Balance, end of year	-	1,459,460	9,083,813	4,175,630	6,456,203	3,601,077	-	24,776,183
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,827,378	1,923,752	7,920,866	4,859,649	8,352,218	6,138,992	175,780	31,198,635

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2023

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	1,705,853	2,505,893	1,778,923	-	323,758	63,104	780,005	195,251	7,352,787
User charges	25,485	292,508	180,729	1,038,085	167,645	50,800	79,086	40,020	1,874,358
Government transfers - operating	1,319,945	20,677	-	-	-	-	25,283	-	1,365,905
Government transfers - capital	-	-	433,966	-	-	-	227,725	-	661,691
Other municipalities	-	6,800	-	-	-	-	-	-	6,800
Penalties and interest on taxes	133,402	-	-	-	-	-	-	-	133,402
Investment income	796,349	54,999	48,470	77,864	4,807	653	28,674	3,866	1,015,682
Other	-	-	-	-	-	-	9,431	-	9,431
Canada Community-Building Fund earned	40,705	-	130,242	-	-	-	-	-	170,947
Gain/(loss) on disposal of tangible capital assets	(22,636)	-	35,377	-	-	-	-	-	12,741
Total revenues	3,999,103	2,880,877	2,607,707	1,115,949	496,210	114,557	1,150,204	239,137	12,603,744
Expenses									
Salaries and benefits	1,060,045	619,280	712,872	25,358	239,948	7,717	432,791	89,077	3,187,088
Materials	574,720	301,914	710,997	394,818	100,978	35,710	283,057	33,580	2,435,774
Contracted services	118,829	1,265,272	346,829	372,230	284,455	76,005	19,797	54,357	2,537,774
Rents and financial	10,241	1,638	943	29,906	17,341	-	2,889	-	62,958
External transfers	-	298,251	-	-	-	5,000	-	-	303,251
Amortization	50,807	114,313	977,693	554,460	21,299	1,279	208,324	-	1,928,175
Total expenses	1,814,642	2,600,668	2,749,334	1,376,772	664,021	125,711	946,858	177,014	10,455,020
Net surplus/(deficit)	2,184,461	280,209	(141,627)	(260,823)	(167,811)	(11,154)	203,346	62,123	2,148,724

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2022

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	1,543,133	2,438,512	1,667,455	-	269,757	63,104	700,012	276,544	6,958,517
User charges	25,276	143,455	161,675	1,025,493	172,701	54,793	72,698	21,900	1,677,991
Government transfers - operating	1,475,194	59,166	70,643	-	24,840	-	41,826	-	1,671,669
Government transfers - capital	-	-	215,000	-	-	-	473,595	-	688,595
Other municipalities	-	5,700	-	-	-	-	-	-	5,700
Penalties and interest on taxes	111,835	-	-	-	-	-	-	-	111,835
Investment income	334,530	42,743	31,408	60,522	3,724	506	21,410	3,006	497,849
Other	146,952	-	-	-	-	-	1,868	-	148,820
Parkland fees earned	-	-	-	-	-	-	59,988	-	59,988
Gain/(loss) on disposal of tangible capital assets	460,025	-	4,800	-	-	-	-	-	464,825
Total revenues	4,096,945	2,689,576	2,150,981	1,086,015	471,022	118,403	1,371,397	301,450	12,285,789
Expenses									
Salaries and benefits	876,373	624,269	647,737	25,466	220,801	7,420	418,893	82,686	2,903,645
Interest charges	9,326	-	-	-	-	-	-	-	9,326
Materials	394,475	316,182	797,111	395,192	110,267	74,637	243,475	22,624	2,353,963
Contracted services	189,138	1,265,527	261,052	364,475	179,732	73,183	19,190	117,475	2,469,772
Rents and financial	23,978	-	-	-	4,800	-	44	-	28,822
External transfers	-	288,248	-	-	-	7,500	-	-	295,748
Amortization	51,253	108,928	903,297	509,240	17,795	4,521	170,473	-	1,765,507
Total expenses	1,544,543	2,603,154	2,609,197	1,294,373	533,395	167,261	852,075	222,785	9,826,783
Net surplus/(deficit)	2,552,402	86,422	(458,216)	(208,358)	(62,373)	(48,858)	519,322	78,665	2,459,006

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

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2023

Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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

T: (705) 742-3418
F: (705) 742-9775

www.bakertilly.ca

We have reviewed the accompanying financial statements of the Havelock-Belmont-Methuen Library Board of the Corporation of the Township of Havelock-Belmont-Methuen (the Board), that comprise the statement of financial position as at December 31, 2023 and the statements of operations and accumulated surplus, remeasurement gains and losses, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Practitioner's Responsibility

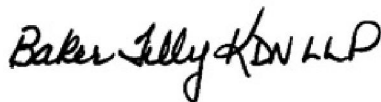
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Board as at December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
March 20, 2025

ASSURANCE • TAX • ADVISORY

Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

Peterborough

Courtice

Lindsay

Cobourg

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2023

	2023 \$	2022 \$
FINANCIAL ASSETS		
Cash	23,785	42,065
Due from Township (note 7)	23,352	-
Investments (note 2)	73,167	58,972
TOTAL FINANCIAL ASSETS	120,304	101,037
LIABILITIES		
Due to Township (note 7)	-	15,804
NET FINANCIAL ASSETS	120,304	85,233
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	350,940	373,259
	471,244	458,492
Comprised of:		
Accumulated surplus (note 4)	459,736	458,492
Accumulated remeasurement gains	11,508	-
	471,244	458,492

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2023

	Budget 2023 \$ (see Note 5)	Actual 2023 \$	Actual 2022 \$
REVENUES			
Municipal funding			
Levy (note 7)	101,920	101,920	94,867
Occupancy (note 7)	25,285	23,413	17,947
Township reserve	-	-	22,606
Government of Canada	-	1,860	2,020
Province of Ontario	20,773	21,612	20,773
Donations	-	7,775	-
Interest	-	4,340	2,501
Other	600	1,206	1,868
TOTAL REVENUES	148,578	162,126	162,582
EXPENSES			
Salaries and benefits	76,560	71,174	72,412
Amortization	39,028	39,251	39,028
Repairs and maintenance	14,684	12,276	9,342
Utilities	18,065	17,464	16,551
Supplies	10,600	9,615	14,434
Administrative	7,480	5,913	7,286
Insurance	5,189	5,189	4,529
TOTAL EXPENSES	171,606	160,882	163,582
ANNUAL SURPLUS/(DEFICIT)	<u>(23,028)</u>	1,244	(1,000)
ACCUMULATED SURPLUS - beginning of year		458,492	459,492
ACCUMULATED SURPLUS - end of year		459,736	458,492

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD STATEMENT OF REMEASUREMENT GAINS AND LOSSES For the Year Ended December 31, 2023

	Actual 2023 \$	Actual 2022 \$
ACCUMULATED REMEASUREMENT GAINS AND LOSSES - beginning of year	-	-
Unrealized gain/(loss) on portfolio investments at January 1, 2023 (note 6)	5,823	-
Unrealized gain/(loss) on portfolio investments during the year	5,685	-
ACCUMULATED REMEASUREMENT GAINS AND LOSSES - end of year	11,508	-

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2023

	Budget 2023 \$ (Note 5)	Actual 2023 \$	Actual 2022 \$
ANNUAL SURPLUS/(DEFICIT)	(23,028)	1,244	(1,000)
Amortization of tangible capital assets	39,028	39,251	39,028
Acquisition of tangible capital assets	(26,000)	(16,932)	(37,455)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(10,000)	23,563	573
NET FINANCIAL ASSETS - beginning of year	85,233	85,233	84,660
ADJUSTMENT ON ADOPTION OF THE FINANCIAL INSTRUMENTS STANDARD (note 6)	-	5,823	-
NET FINANCIAL ASSETS - beginning of year, as restated	85,233	91,056	84,660
INCREASE IN ACCUMULATED REMEASUREMENT GAINS	-	5,685	-
NET FINANCIAL ASSETS - end of year	75,233	120,304	85,233

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD STATEMENT OF CASH FLOWS For the Year Ended December 31, 2023

	2023 \$	2022 \$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	1,244	(1,000)
Items not involving cash		
Amortization of tangible capital assets	39,251	39,028
Change in non-cash assets and liabilities		
Due from Township	(23,353)	6,898
Due to Township	(15,804)	15,804
Net change in cash from operating activities	1,338	60,730
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(16,932)	(37,455)
INVESTING ACTIVITIES		
Purchase of investments	(2,686)	(2,089)
NET CHANGE IN CASH	(18,280)	21,186
CASH - beginning of year	42,065	20,879
CASH - end of year	23,785	42,065

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of Revenue and Expenses

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

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

Donation revenue is recognized when the amounts are received or receivable when receipt of funds is reasonably assured.

(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.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Due from Township	Amortized Cost
Investments	Fair Value

Fair value category: The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Tangible Capital Assets

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

Land improvements	25 to 40 years
Buildings	30 to 60 years
Equipment	5 to 35 years
Books	7 years

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

(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) Reserves

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

(g) Inter-Entity Transactions

The Havelock-Belmont-Methuen Library Board is a Board of the Township of Havelock-Belmont-Methuen and is consolidated with the Township's financial statements.

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

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

(h) Asset Retirement Obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The Board does not have any assets with asset retirement obligations.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

2. INVESTMENTS

Investment consist of the following:

	2023 \$	2022 \$
Investments held at fair value		
ONE funds - corporate bond portfolio	26,973	-
ONE funds - equity portfolio	46,194	-
	73,167	-
Investments held at cost		
ONE funds - corporate bond portfolio	-	29,082
ONE funds - equity bond portfolio	-	29,890
	-	58,972
	73,167	58,972

Book values of corporate bond portfolio and equity portfolio at December 31, 2023 are \$29,785 and \$31,873 respectively (2022 - \$29,082 and \$29,890).

3. TANGIBLE CAPITAL ASSETS

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

	Land and Land Improvements \$	Building \$	Books and Equipment \$	2023 Totals \$	2022 Totals \$
COST					
Balance, beginning of year	16,048	889,066	208,223	1,113,337	1,093,532
Add: additions during the year	-	-	16,932	16,932	37,455
Less: disposals during the year	-	-	22,515	22,515	17,650
Balance, end of year	16,048	889,066	202,640	1,107,754	1,113,337
ACCUMULATED AMORTIZATION					
Balance, beginning of year	13,597	605,160	121,321	740,078	718,700
Add: additions during the year	196	24,157	14,898	39,251	39,028
Less: disposals during the year	-	-	22,515	22,515	17,650
Balance, end of year	13,793	629,317	113,704	756,814	740,078
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	2,255	259,749	88,936	350,940	373,259

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023	2022
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	350,940	373,259
Surplus	350,940	373,259
Reserve		
Future acquisition of tangible capital assets	108,796	85,233
	459,736	458,492

5. BUDGET FIGURES

The operating budget, approved by the Board, for 2023 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to review.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

6. CHANGES IN ACCOUNTING POLICIES

The Board has implemented the following sections which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations were adopted prospectively on January 1, 2023.

PS 1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Board's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments.

In accordance with the provisions of this new standard, the Board reflected the following adjustments at January 1, 2023.

- An increase of \$5,823 to investments and an increase of \$5,823 to accumulated remeasurement gains/(losses) due to the unrealized gain of the investments previously recorded at cost.

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The adoption of this standard did not have an impact on the Board's financial statements.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

HAVELOCK-BELMONT-METHUEN LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

7. INTER-ENTITY TRANSACTIONS

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

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

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

	2023	2022
	\$	\$
Allocated costs:		
Insurance	5,189	4,529
Professional fees	530	530
Occupancy costs	23,413	17,947
	29,132	23,006
Unallocated costs:		
Water and sewer	-	1,460
	29,132	24,466

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

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

8. FINANCIAL INSTRUMENTS

The Board is exposed to the following risks in respect of certain of the financial instruments held:

(a) Market risk

The Board is exposed to certain market risks including changes in pricing and limited access to foreign markets associated with the Board's investments.

In the opinion of management, the Board is not exposed to any significant interest rate, credit, liquidity, or currency risk.

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

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2023

Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

INDEPENDENT AUDITOR'S REPORT

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

T: (705) 742-3418
F: (705) 742-9775

www.bakertilly.ca

Qualified Opinion

We have audited the financial statements of the Belmont-Methuen-Havelock Cemetery Board of the Corporation of the Township of Havelock-Belmont-Methuen (the Board), which comprise the statement of financial position as at December 31, 2023, 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, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many Municipal Cemetery Boards, the Board derives revenue from donations and other revenue, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were not able to determine whether any adjustments might be necessary to donations and other revenue, annual deficit and cash flows from operations for the years ended December 31, 2023 and 2022, and assets and accumulated surplus as at December 31, 2023 and 2022. Our opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this scope limitation.

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.

ASSURANCE • TAX • ADVISORY

Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
March 20, 2025

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2023

	2023 \$	2022 \$
FINANCIAL ASSETS		
Cash	89,229	108,126
Accounts receivable	2,134	3,009
TOTAL FINANCIAL ASSETS	91,363	111,135
LIABILITIES		
Accounts payable	1,125	6,700
Due to Trust Fund	8,388	10,023
TOTAL LIABILITIES	9,513	16,723
NET FINANCIAL ASSETS	81,850	94,412
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	21,584	22,863
ACCUMULATED SURPLUS (note 3)	103,434	117,275

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
REVENUES			
Municipal funding (note 7)	63,104	63,104	63,104
Grave openings	11,500	13,713	20,050
Sale of interment rights	6,655	12,643	18,912
Donations and other	4,300	8,568	8,259
Transfer from Perpetual Care Trust Fund	10,780	8,116	7,573
TOTAL REVENUES	96,339	106,144	117,898
EXPENSES			
Contracts - operations	77,802	76,005	73,185
Contracts - administration	7,717	7,717	7,420
Supplies and services	6,300	19,199	16,042
Board and administration costs	4,520	4,619	8,427
Digitization	-	5,588	9,546
Storm clean-up	-	5,578	22,351
Amortization	1,279	1,279	1,279
TOTAL EXPENSES	97,618	119,985	138,250
ANNUAL DEFICIT	<u>(1,279)</u>	(13,841)	(20,352)
ACCUMULATED SURPLUS - beginning of year		117,275	137,627
ACCUMULATED SURPLUS - end of year		103,434	117,275

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
ANNUAL DEFICIT	(1,279)	(13,841)	(20,352)
Amortization of tangible capital assets	1,279	1,279	1,279
DECREASE IN NET FINANCIAL ASSETS	-	(12,562)	(19,073)
NET FINANCIAL ASSETS - beginning of year	94,412	94,412	113,485
NET FINANCIAL ASSETS - end of year	94,412	81,850	94,412

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

	2023	2022
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(13,841)	(20,352)
Items not involving cash		
Amortization of tangible capital assets	1,279	1,279
Change in non-cash assets and liabilities		
Accounts receivable	875	41
Accounts payable	(5,575)	5,575
Due to Trust Fund	(1,635)	2,981
NET CHANGE IN CASH	(18,897)	(10,476)
CASH - beginning of year	108,126	118,602
CASH - end of year	89,229	108,126

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of Revenue and Expenses

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

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

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

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

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

(b) Use of Estimates

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

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

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Accounts receivable	Amortized Cost
Accounts payable	Amortized Cost
Due to Trust Fund	Amortized Cost

Fair value category: The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

As there are no unrealized gains or losses on financial instruments to report, the Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Tangible Capital Assets

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

Land improvements	25 to 40 years
Columbarium	50 years

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

(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 Belmont-Methuen-Havelock Cemetery Board is a Board of the Township of Havelock-Belmont-Methuen and is consolidated with the Township's financial statements.

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

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

(g) Trust Funds

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

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

2. TANGIBLE CAPITAL ASSETS

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

	Land \$	Land Improvements \$	Columbarium \$	2023 Totals \$	2022 Totals \$
COST					
Balance, beginning of year	3	34,895	15,594	50,492	50,492
Balance, end of year	3	34,895	15,594	50,492	50,492
ACCUMULATED AMORTIZATION					
Balance, beginning of year	-	25,289	2,340	27,629	26,350
Add: additions during the year	-	967	312	1,279	1,279
Balance, end of year	-	26,256	2,652	28,908	27,629
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	3	8,639	12,942	21,584	22,863

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023 \$	2022 \$
Surplus		
Operations	81,850	94,412
Invested In Capital Assets		
Tangible capital assets - net book value	21,584	22,863
	103,434	117,275

4. BUDGET FIGURES

The operating budget, approved by the Board, for 2023 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.

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

5. TRUST FUNDS

Trust funds administered by the Board amounting to \$324,864 (2022 - \$310,356) have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Board for the benefit of others, they are not presented as part of the Board's financial position or operations.

6. COMPARATIVE FIGURES

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

7. INTER-ENTITY TRANSACTIONS

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

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

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

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

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

8. CHANGE IN ACCOUNTING POLICY

The Board has implemented the following sections which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations were adopted prospectively on January 1, 2023.

PS 1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Board's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The adoption of this standard did not have an impact on the Board's financial statements.

9. FINANCIAL INSTRUMENTS

The Board is exposed to the following risks in respect of certain of the financial instruments held:

(a) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss.

In the opinion of management, the Board is not exposed to any significant interest rate, market, liquidity or currency risk.

Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

T: (705) 742-3418
F: (705) 742-9775

www.bakertilly.ca

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of the Trust Funds of the Corporation of the Township of Havelock-Belmont-Methuen (the Trust Funds), which comprise the statement of financial position as at December 31, 2023, 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, 2023, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
March 20, 2025



CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2023

	Perpetual Care \$	Monument Care \$	Rockdale Cemetery \$	2023 Total \$	2022 Total \$
FINANCIAL ASSETS					
Cash	-	-	27,103	27,103	29,347
Investments (note 2)	150,097	37,472	101,804	289,373	270,986
Due from Cemetery Board	5,088	3,300	-	8,388	10,023
	155,185	40,772	128,907	324,864	310,356
FUND BALANCES					
Capital	155,185	40,772	117,877	313,834	299,206
Revenue	-	-	11,030	11,030	11,150
	155,185	40,772	128,907	324,864	310,356

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2023

	Perpetual Care \$	Monument Care \$	Rockdale Cemetery \$	2023 Total \$	2022 Total \$
BALANCE - beginning of year	159,448	39,758	111,150	310,356	302,154
RECEIPTS					
Interest income earned	5,954	1,473	2,125	9,552	7,224
Capital gains	-	-	-	-	32
Care and maintenance funds	5,088	3,300	-	8,388	10,023
Unrealized gain (loss)	(8,981)	(2,214)	17,877	6,682	-
	2,061	2,559	20,002	24,622	17,279
EXPENSES					
Transfer to revenue fund	4,681	1,190	2,245	8,116	7,573
Trustee fees	1,273	283	-	1,556	1,504
Capital loss	370	72	-	442	-
	6,324	1,545	2,245	10,114	9,077
BALANCE - end of year	155,185	40,772	128,907	324,864	310,356

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Use of Estimates

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

2. INVESTMENTS

The investments held at the end of the year are recorded at fair value (2022 - at cost) and consist of:

	2023	2022
	\$	\$
Investments held at fair value		
Bond common trust fund	187,569	-
Mutual funds	101,804	-
	289,373	-
Investments held at cost		
Bond common trust fund	-	189,183
Mutual funds	-	81,803
	-	270,986
	289,373	270,986

CORPORATION OF THE TOWNSHIP OF HAVELOCK-BELMONT-METHUEN

BELMONT-METHUEN-HAVELOCK CEMETERY BOARD TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

3. CARE AND MAINTENANCE FUNDS

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

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

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