

CORPORATION OF THE TOWN OF DESERONTO

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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CORPORATION OF THE TOWN OF DESERONTO

For The Year Ended December 31, 2020

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Town of Deseronto are the responsibility of management and have been approved by Council.

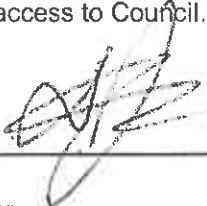
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen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

The Town 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 Town's assets are appropriately accounted for and adequately safeguarded.

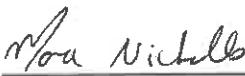
The Town's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Town's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Town of Deseronto. 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 Town. Baker Tilly KDN LLP has full and free access to Council.



Mayor



Treasurer

September 22, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Deseronto

Opinion

We have audited the consolidated financial statements of the Corporation of the Town of Deseronto and its local boards (the Town), which comprise the consolidated statement of financial position as at December 31, 2020, the consolidated statements of operations and accumulated surplus, change in net debt 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 Town as at December 31, 2020, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Town 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 Town'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 Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town'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 Town'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 Town'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 Town 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 Town to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
September 22, 2021

CORPORATION OF THE TOWN OF DESERONTO**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
At December 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investment (note 3)	1,279,498	814,656
Taxes receivable	264,706	322,450
Accounts receivable	973,215	1,045,309
TOTAL FINANCIAL ASSETS	2,517,419	2,182,415
LIABILITIES		
Accounts payable and accrued liabilities	457,105	662,234
Deferred revenue - obligatory reserve funds (note 5)	511,937	343,471
Deferred revenue - other (note 6)	134,276	48,356
Long term debt (note 7)	2,226,591	2,310,927
Liability for contaminated sites (note 8)	123,800	123,800
TOTAL LIABILITIES	3,453,709	3,488,788
NET DEBT	(936,290)	(1,306,373)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 9)	21,773,410	22,438,284
Prepaid expenses	10,240	19,352
TOTAL NON-FINANCIAL ASSETS	21,783,650	22,457,636
ACCUMULATED SURPLUS (note 10)	20,847,360	21,151,263

The accompanying notes are an integral part of these financial statements

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

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Property taxation	1,472,111	1,482,058	1,475,645
User charges	1,646,159	1,538,791	1,600,877
Government of Canada	25,000	90,928	964,607
Province of Ontario	1,293,909	985,257	2,068,890
Other municipalities	64,700	69,700	42,200
Penalties and interest on taxes	40,000	21,929	40,988
Investment income	27,800	11,142	21,063
Mohawks of the Bay of Quinte	-	935	337,741
Federal gas tax earned	-	-	209,162
Provincial gas tax earned	193,598	104,410	202,240
Gain on disposal of tangible capital assets	-	883	55,779
Other	53,300	53,816	84,721
TOTAL REVENUES	4,816,577	4,359,849	7,103,913
EXPENSES			
General government	496,162	563,115	546,121
Protection services	670,391	651,130	620,921
Transportation services	1,124,154	951,739	1,065,588
Environmental services	1,814,488	1,789,457	1,783,431
Health services	21,894	20,777	19,166
Recreation and cultural services	778,719	671,271	724,683
Planning and development	13,300	16,263	37,638
TOTAL EXPENSES	4,919,108	4,663,752	4,797,548
ANNUAL SURPLUS/(DEFICIT)	<u>(102,531)</u>	(303,903)	2,306,365
ACCUMULATED SURPLUS - beginning of year		21,151,263	18,844,898
ACCUMULATED SURPLUS - end of year		20,847,360	21,151,263

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended December 31, 2020

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
ANNUAL SURPLUS/(DEFICIT)	(102,531)	(303,903)	2,306,365
Amortization of tangible capital assets	1,041,966	1,025,230	1,041,966
Purchase of tangible capital assets	(956,000)	(363,973)	(3,939,566)
Gain on disposal of tangible capital assets	-	(883)	(55,779)
Proceeds on sale of tangible capital assets	-	4,500	87,759
Change in prepaid expenses	-	9,112	(10,125)
CHANGE IN NET DEBT	(16,565)	370,083	(569,380)
NET DEBT - beginning of year	(1,306,373)	(1,306,373)	(736,993)
NET DEBT - end of year	(1,322,938)	(936,290)	(1,306,373)

The accompanying notes are an integral part of these financial statements

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

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	(303,903)	2,306,365
Items not involving cash		
Amortization of tangible capital assets	1,025,230	1,041,966
Gain on disposal of tangible capital assets	(883)	(55,779)
Change in non-cash assets and liabilities		
Taxes receivable	57,744	108,775
Accounts receivable	72,094	1,339,595
Prepaid expenses	9,112	(10,125)
Accounts payable and accrued liabilities	(205,129)	(351,461)
Deferred revenue - obligatory reserve funds	168,466	12,465
Deferred revenue - other	85,920	(25,945)
Net change in cash from operating activities	908,651	4,365,856
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(363,973)	(3,939,566)
Proceeds on disposal of tangible capital assets	4,500	87,759
Net change in cash from capital activities	(359,473)	(3,851,807)
FINANCING ACTIVITIES		
Long term debt issued	-	500,000
Debt principal repayments	(84,336)	(164,121)
Net change in cash from financing activities	(84,336)	335,879
NET CHANGE IN CASH AND CASH EQUIVALENTS	464,842	849,928
CASH AND CASH EQUIVALENTS - beginning of year	814,656	(35,272)
CASH AND CASH EQUIVALENTS - end of year	1,279,498	814,656

The accompanying notes are an integral part of these financial statements

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

The Town of Deseronto 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 Town and which are owned and controlled by the Town. These consolidated financial statements include:

- Deseronto Public Library Board
- Deseronto 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	10 - 50 years
Buildings and improvements	20 - 50 years
Roadways	10 - 50 years
Water and sewer system	30 - 50 years
Vehicles	10 - 15 years
Machinery and equipment	7 - 20 years
Computer hardware and software	5 - 10 years

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

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

(c) Trust Funds

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of Revenues and Expenses

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

Taxation

Property tax billings are prepared by the Town based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Town's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Town 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 Town 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 and grants

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

Other revenue

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

Investment income is recorded when earned.

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

(e) Non-financial Assets

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

(f) 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.

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Deferred Revenue

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

(h) Use of Estimates

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Town'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 Town's significant estimates include:

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

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2020, requisitions were made by the County of Hastings and School Boards requiring the Town 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	226,494	335,254

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

3. CASH AND TEMPORARY INVESTMENT

Cash and temporary investment includes the following investment recorded at cost:

	2020 \$	2019 \$
Parkland Guaranteed Investment Certificate - interest at 2.0%, maturing September 2, 2021	9,946	9,936

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

4. CREDIT FACILITY AGREEMENT

The Town has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$650,000 via an overdraft or demand note. Any balance borrowed will accrue interest at the bank's prime lending rate up to \$500,000 and at the bank's prime lending rate plus 1% per annum thereafter up to the credit limit. Council authorized the temporary borrowing limit by By-law 02-20. At December 31, 2020 there was no balance outstanding (2019 - \$Nil).

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 Town are summarized below:

	2020	2019
	\$	\$
Parkland	16,594	14,619
Lot levy	16,405	16,251
Federal gas tax	333,876	223,388
Provincial gas tax	145,062	89,213
	511,937	343,471

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

	2020	2019
	\$	\$
Balance - beginning of year	343,471	331,006
Add amounts received:		
Interest	4,027	4,786
Federal gas tax	107,633	226,703
Provincial gas tax	159,292	192,378
Parkland	1,924	-
	272,876	423,867
Less transfer to operations:		
Federal gas tax earned	-	209,162
Provincial gas tax earned	104,410	202,240
	104,410	411,402
Balance - end of year	511,937	343,471

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

6. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2020	2019
	\$	\$
Province of Ontario	66,183	2,369
Other	15,628	15,026
Arctic Gardens	27,465	27,465
Library:		
Government of Canada	25,000	-
Province of Ontario	-	3,496
	134,276	48,356

7. LONG TERM DEBT

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

	2020	2019
	\$	\$
Long term bank loan with monthly principal payments of \$990 plus interest at prime rate, currently at 3.0%, due in 2022.	15,500	27,380
Long term bank loan with blended monthly payments of \$970 plus interest at 3.0%, due in 2022.	16,370	28,010
Long term bank loan with monthly payments of \$1,635 plus interest at prime, currently 3.0%, due in 2020.	-	6,340
Lease purchase agreement with blended monthly payments of \$1,370 with interest at 14.69%, due in 2020.	-	10,610
Lease purchase agreement with blended monthly payments of \$3,039 with interest at 5.55%, due in 2020.	-	5,296
Ontario Infrastructure and Lands Corporation due May 1, 2047, repayable in blended monthly payments of \$5,809 and bearing interest at 3.46% per annum.	1,205,827	1,233,291
Ontario Infrastructure and Lands Corporation due March 2, 2050, repayable in blended monthly payments of \$24,106 and bearing interest at 2.6% per annum.	988,894	1,000,000
	2,226,591	2,310,927

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

7. LONG TERM DEBT, continued

- (b) The long term debt in (a) issued in the name of the Town have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (c) The long term debt in (a) includes \$Nil related to capital leases (2019 - \$15,906).
- (d) The total interest charges reported on the Consolidated Schedules of Segment Disclosure of \$61,963 (2019 - \$76,195) include interest paid during the year on long term debt in the amount of \$61,181 (2019 - \$69,580) and imputed interest on capital leases in the amount of \$782 (2019 - \$6,615).
- (e) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2021	74,597	67,471	142,068
2022	61,019	65,303	126,322
2023	54,311	63,604	117,915
2024	56,006	61,909	117,915
2025	57,755	60,160	117,915
2026 and subsequent years	1,922,903	751,102	2,674,005
	2,226,591	1,069,549	3,296,140

8. LIABILITY FOR CONTAMINATED SITES

The Town has recorded a liability for a piece of property with known contamination. The liability has been recorded in these financial statements based on a consultant's estimate of the costs to clean up the site. The Town has a reserve of \$27,465 for the cleanup of this site and the balance will be funded in the future from taxation.

The Town has another property that may be contaminated that it is currently investigating. No amounts relating to this site have been recorded in these financial statements as the amounts are not determinable at this time.

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

9. TANGIBLE CAPITAL ASSETS

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

	2020	2019
	\$	\$
General		
Land and land improvements	1,098,833	1,119,078
Buildings	6,035,989	6,265,448
Machinery and equipment	11,868,123	12,396,104
Vehicles	376,484	448,355
Computer hardware and software	154,391	165,358
Infrastructure		
Roadways	939,937	1,001,492
Water and sewer system	982,102	1,037,241
	21,455,859	22,433,076
Assets under construction	317,551	5,208
	21,773,410	22,438,284

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

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

Tangible capital assets allocated by segment are as follows:

	2020	2019
	\$	\$
General government	368,876	376,341
Protection services	213,847	246,774
Transportation services	2,239,666	2,103,066
Environmental services	16,806,495	17,428,140
Health services	53,725	55,619
Recreation and cultural services	2,090,801	2,228,344
	21,773,410	22,438,284

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

10. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
Surplus/(Deficit)		
Town	(192,161)	(156,043)
Unfunded remediation costs of contaminated sites	(123,800)	(123,800)
Deseronto Public Library Board	48,450	36,070
Deseronto Cemetery Board	83,867	67,980
	(183,644)	(175,793)
Invested In Capital Assets		
Tangible capital assets - net book value	21,773,410	22,438,284
Long term debt	(2,226,591)	(2,310,927)
Unfunded capital - water treatment plant	(353,922)	(353,922)
	19,192,897	19,773,435
Surplus	19,009,253	19,597,642
Reserves		
Working funds	680,575	680,575
Future capital assets	529,989	469,989
Water and sewer	602,169	377,683
Zoning	6,688	6,688
Library donations	18,686	18,686
Total Reserves	1,838,107	1,553,621
	20,847,360	21,151,263

11. CONTINGENT LIABILITIES

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

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

12. EXPENSES BY OBJECT

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

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
Salaries and benefits	1,486,839	1,400,694	1,472,678
Interest charges	72,022	61,963	76,195
Materials	1,630,952	1,480,055	1,501,761
Contracted services	665,977	677,025	650,445
Rents and financial	7,000	6,058	11,539
External transfers	14,352	12,727	42,964
Amortization	1,041,966	1,025,230	1,041,966
	4,919,108	4,663,752	4,797,548

13. PENSION AGREEMENTS

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

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

The Town's required contributions to OMERS in 2020 were \$73,216 (2019 - \$76,024).

14. TRUST FUNDS

Trust funds administered by the Town amounting to \$126,121 (2019 - \$124,831) 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 Town for the benefit of others, they are not presented as part of the Town's financial position or operations.

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

15. BUDGET FIGURES

The budget, approved by the Town, for 2020 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Debt. 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.

The following is a reconciliation of the Council approved budget amounts to the PSA amounts:

	(Unaudited) 2020 Revenue \$	(Unaudited) 2020 Expenses \$
Council approved budget:		
Operating	4,200,782	4,200,782
Capital	956,000	956,000
Total Council approved budget	5,156,782	5,156,782
Less: Tangible capital assets capitalized	-	(956,000)
Add: Amortization of tangible capital assets	-	1,041,966
Less: Long term debt proceeds	(300,000)	-
Less: Principal repayment of long term debt	-	(94,210)
Less: Transfers to/from reserves	(21,965)	(211,190)
Revenues and expenses netted for reporting purposes	(18,240)	(18,240)
Adjusted budget per Consolidated Statement of Operations	4,816,577	4,919,108

16. SEGMENTED INFORMATION

The Town of Deseronto is a municipal government organization that provides a range of services to its residents. Town 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 Town 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 Town's roads, winter control, street lighting and transit services.

Environmental Services

The environmental function is responsible for providing water, sewer, waste collection, waste disposal and recycling services to ratepayers.

Health Services

The health services function consists of the activities of the cemetery board.

Recreation and Cultural Services

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

Planning and Development

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

17. COMMITMENT

The Town has entered into a contract for the construction of a roads building in the amount of \$469,614 plus HST. The costs incurred to December 31, 2020 were \$288,170 and will be funded through long term debt and taxation.

18. UNCERTAINTY CAUSED BY COVID-19

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

CORPORATION OF THE TOWN OF DESERONTO



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

	General					Infrastructure			Totals \$
	Land and Land Improvements \$	Buildings \$	Machinery and Equipment \$	Vehicles \$	Computer Hardware and Software \$	Roadways \$	Water and Sewer System \$	Assets Under Construction \$	
COST									
Balance, beginning of year	2,126,341	8,807,895	15,237,164	1,129,494	283,616	2,651,912	3,040,852	5,208	33,282,482
Add: additions during the year	26,707	3,101	21,822	-	-	-	-	312,343	363,973
Less: disposals during the year	-	-	29,643	-	18,041	-	-	-	47,684
Balance, end of year	2,153,048	8,810,996	15,229,343	1,129,494	265,575	2,651,912	3,040,852	317,551	33,598,771
ACCUMULATED AMORTIZATION									
Balance, beginning of year	1,007,263	2,542,447	2,841,060	681,139	118,258	1,650,420	2,003,611	-	10,844,198
Add: additions during the year	46,952	232,560	546,186	71,871	10,967	61,555	55,139	-	1,025,230
Less: disposals during the year	-	-	26,026	-	18,041	-	-	-	44,067
Balance, end of year	1,054,215	2,775,007	3,361,220	753,010	111,184	1,711,975	2,058,750	-	11,825,361
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS									
	1,098,833	6,035,989	11,868,123	376,484	154,391	939,937	982,102	317,551	21,773,410

CORPORATION OF THE TOWN OF DESERONTO



CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2020

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	(596,175)	670,241	871,339	12,000	20,000	493,853	10,800	1,482,058
User charges	6,204	13,168	57,128	1,358,571	11,685	90,685	1,350	1,538,791
Government transfers - operating	769,700	6,263	89,206	15,698	-	10,962	-	891,829
Government transfers - capital	-	-	184,356	-	-	-	-	184,356
Other municipalities	-	-	69,700	-	-	-	-	69,700
Penalties and interest on taxes	21,929	-	-	-	-	-	-	21,929
Investment income	2,832	-	-	4,599	3,085	626	-	11,142
Mohawks of the Bay of Quinte	-	-	-	935	-	-	-	935
Provincial gas tax earned	-	-	104,410	-	-	-	-	104,410
Gain/(loss) on disposal of tangible capital assets	-	-	883	-	-	-	-	883
Other	-	-	35,006	-	-	17,510	1,300	53,816
Total revenues	204,490	689,672	1,412,028	1,391,803	34,770	613,636	13,450	4,359,849
Expenses								
Salaries and benefits	351,768	61,925	454,028	269,224	-	263,749	-	1,400,694
Interest charges	-	824	(369)	60,885	-	623	-	61,963
Materials	213,614	53,358	324,989	624,063	4,956	242,812	16,263	1,480,055
Contracted services	38,142	488,766	5,016	124,272	6,725	14,104	-	677,025
Rents and financial	4,480	-	-	1,376	202	-	-	6,058
External transfers	375	12,352	-	-	-	-	-	12,727
Amortization	7,466	32,927	197,597	638,100	1,894	147,246	-	1,025,230
Internal transfers	(52,730)	978	(29,522)	71,537	7,000	2,737	-	-
Total expenses	563,115	651,130	951,739	1,789,457	20,777	671,271	16,263	4,663,752
Net surplus/(deficit)	(358,625)	38,542	460,289	(397,654)	13,993	(57,635)	(2,813)	(303,903)

CORPORATION OF THE TOWN OF DESERONTO



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

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	(258,254)	647,071	555,038	32,500	20,000	468,190	11,100	1,475,645
User charges	6,339	15,532	130,573	1,277,914	10,680	159,039	800	1,600,877
Government transfers - operating	1,001,145	10,000	15,863	14,256	-	10,600	-	1,051,864
Government transfers - capital	-	-	50,000	1,931,633	-	-	-	1,981,633
Other municipalities	-	-	42,200	-	-	-	-	42,200
Penalties and interest on taxes	40,988	-	-	-	-	-	-	40,988
Investment income	9,497	-	-	8,102	2,160	1,304	-	21,063
Mohawks of the Bay of Quinte	-	-	-	337,741	-	-	-	337,741
Federal gas tax earned	-	-	209,162	-	-	-	-	209,162
Provincial gas tax earned	-	-	202,240	-	-	-	-	202,240
Gain/(loss) on disposal of tangible capital assets	59,000	-	-	(3,221)	-	-	-	55,779
Other	-	-	35,054	-	-	11,767	37,900	84,721
Total revenues	858,715	672,603	1,240,130	3,598,925	32,840	650,900	49,800	7,103,913
Expenses								
Salaries and benefits	351,757	62,437	521,957	282,998	-	253,529	-	1,472,678
Interest charges	-	5,358	3,261	65,299	-	2,277	-	76,195
Materials	135,333	48,448	363,797	599,434	2,397	314,714	37,638	1,501,761
Contracted services	63,256	458,193	6,407	111,323	7,875	3,391	-	650,445
Rents and financial	8,740	-	-	2,799	-	-	-	11,539
External transfers	30,365	12,599	-	-	-	-	-	42,964
Amortization	9,484	32,927	197,907	651,668	1,894	148,086	-	1,041,966
Internal transfers	(52,814)	959	(27,741)	69,910	7,000	2,686	-	-
Total expenses	546,121	620,921	1,065,588	1,783,431	19,166	724,683	37,638	4,797,548
Net surplus/(deficit)	312,594	51,682	174,542	1,815,494	13,674	(73,783)	12,162	2,306,365

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Deseronto

Opinion

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

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

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
September 22, 2021

TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2020

	Cemetery Care and Maintenance \$	Memorial Scholarship \$	2020 Total \$	2019 Total \$
FINANCIAL ASSETS				
Cash	2,290	-	2,290	50,028
Investments (note 2)	122,140	-	122,140	71,202
Due from Cemetery Board	-	-	-	2,999
Accrued interest	2,034	-	2,034	602
	126,464	-	126,464	124,831
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Due to Cemetery Board	343	-	343	-
FUND BALANCE				
Capital	126,007	-	126,007	124,717
Income	114	-	114	114
	126,121	-	126,121	124,831
	126,464	-	126,464	124,831

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

	Cemetery Care and Maintenance \$	Memorial Scholarship \$	2020 Total \$	2019 Total \$
BALANCE - beginning of year	123,831	1,000	124,831	122,985
RECEIPTS				
Interest earned	2,230	5	2,235	404
Care and maintenance receipts	2,290	-	2,290	1,910
	4,520	5	4,525	2,314
EXPENSES				
Transfer to Cemetery Board current fund	2,230	-	2,230	374
Transfer to Town	-	1,005	1,005	94
	2,230	1,005	3,235	468
BALANCE - end of year	126,121	-	126,121	124,831

The accompanying notes are an integral part of these financial statements

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Use of Estimates

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

2. INVESTMENTS

The investments held in the trusts at the end of the year are as follows:

	2020 Cost \$	2019 Cost \$
CIBC Guaranteed Investment Certificates		
- interest at 2.0%, maturing September 2, 2021	122,140	61,202
- interest at 1.3%, maturing November 16, 2020	-	9,000
- interest at 0.55%, maturing January 15, 2020	-	1,000
	122,140	71,202

3. CARE AND MAINTENANCE FUNDS

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

CORPORATION OF THE TOWN OF DESERONTO

DESERONTO PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

**To the Members of the Deseronto Public Library Board, the
Members of Council, Inhabitants and Ratepayers of the
Corporation of the Town of Deseronto**

Qualified Opinion

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

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

Basis for Qualified Opinion

In common with many Public Library Boards, the Board derives revenue from user charges, donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were not able to determine whether any adjustments might be necessary to user charges, donations and fundraising revenue, annual surplus, assets and accumulated surplus.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
September 22, 2021

DESERONTO PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	99,413	58,940
Accounts receivable	957	103
HST receivable	2,502	3,592
TOTAL FINANCIAL ASSETS	102,872	62,635
LIABILITIES		
Accounts payable	9,186	2,833
Deferred revenue	25,000	3,496
Due to Town of Deseronto (note 4)	1,550	1,550
TOTAL LIABILITIES	35,736	7,879
NET FINANCIAL ASSETS	67,136	54,756
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	30,653	30,025
ACCUMULATED SURPLUS (note 3)	97,789	84,781

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWN OF DESERONTO



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

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Contribution from Town of Deseronto (note 4)	119,000	119,000	116,000
Grants	36,905	12,821	12,459
User charges	2,000	1,840	2,343
Donations and fundraising	-	2,671	6,042
Investment income	300	626	1,304
Rent	7,800	7,800	7,800
TOTAL REVENUES	166,005	144,758	145,948
EXPENSES			
Salaries and benefits	95,749	96,003	92,419
Utilities	10,141	8,522	9,418
Administration	2,950	2,743	4,632
Insurance	1,900	1,967	1,846
Professional fees	1,500	1,500	1,500
Repairs and maintenance	4,000	3,553	3,260
Computers and automation	15,730	8,387	12,647
New Horizons project	25,000	-	-
Amortization (note 2)	8,999	9,075	8,999
TOTAL EXPENSES	165,969	131,750	134,721
ANNUAL SURPLUS	<u>36</u>	13,008	11,227
ACCUMULATED SURPLUS - beginning of year		84,781	73,554
ACCUMULATED SURPLUS - end of year		97,789	84,781

The accompanying notes are an integral part of these financial statements

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

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
ANNUAL SURPLUS	36	13,008	11,227
Amortization of tangible capital assets	8,999	9,075	8,999
Acquisition of tangible capital assets	(11,000)	(9,703)	(15,091)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(1,965)	12,380	5,135
NET FINANCIAL ASSETS - beginning of year	54,756	54,756	49,621
NET FINANCIAL ASSETS - end of year	52,791	67,136	54,756

The accompanying notes are an integral part of these financial statements

DESERONTO PUBLIC LIBRARY BOARD
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	13,008	11,227
Items not involving cash		
Amortization of tangible capital assets	9,075	8,999
Change in non-cash assets and liabilities		
Accounts receivable	(854)	(103)
HST receivable	1,090	(172)
Accounts payable	6,353	881
Deferred revenue	21,504	-
Net change in cash from operating activities	50,176	20,832
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(9,703)	(15,091)
NET CHANGE IN CASH	40,473	5,741
CASH - beginning of year	58,940	53,199
CASH - end of year	99,413	58,940

The accompanying notes are an integral part of these financial statements

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

(b) Use of Estimates

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

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

(c) Tangible Capital Assets

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

Books	7 years
Computer equipment	5 years

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

(d) 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.

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Non-Financial Assets

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

(f) 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 Deseronto Public Library Board is a Board of the Town of Deseronto and is consolidated with the Town'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 Town.

2. TANGIBLE CAPITAL ASSETS

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

	Books \$	Computers and equipment \$	2020 Totals \$	2019 Totals \$
COST				
Balance, beginning of year	59,418	22,059	81,477	71,841
Add: additions during the year	9,703	-	9,703	15,091
Less: disposals during the year	5,991	-	5,991	5,455
Balance, end of year	63,130	22,059	85,189	81,477
ACCUMULATED AMORTIZATION				
Balance, beginning of year	36,854	14,598	51,452	47,908
Add: additions during the year	6,885	2,190	9,075	8,999
Less: disposals during the year	5,991	-	5,991	5,455
Balance, end of year	37,748	16,788	54,536	51,452
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	25,382	5,271	30,653	30,025

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

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
Surplus		
Operations	48,450	36,070
Invested In Capital Assets		
Tangible capital assets - net book value	30,653	30,025
Surplus	79,103	66,095
Reserve		
Donations	18,686	18,686
	97,789	84,781

4. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Town of Deseronto.

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

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

	2020	2019
	\$	\$
Allocated costs:		
Insurance	1,967	1,846
Professional fees	1,500	1,500
Water and sewer	1,312	964
	4,779	4,310

In addition, the Town provides rental of library building to the Board at no cost.

All balances with the Town of Deseronto have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

5. BUDGET FIGURES

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

6. UNCERTAINTY CAUSED BY COVID-19

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

CORPORATION OF THE TOWN OF DESERONTO

DESERONTO CEMETERY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT**To the Members of the Deseronto Cemetery Board, the
Members of Council, Inhabitants and Ratepayers of the
Corporation of the Town of Deseronto***Opinion*

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

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

Basis for 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 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 opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
September 22, 2021

DESERONTO CEMETERY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	88,934	72,140
Due from Town of Deseronto (note 4)	-	1,029
Due from trust fund	343	-
TOTAL FINANCIAL ASSETS	89,277	73,169
LIABILITIES		
Accounts payable	5,410	2,190
Due to trust fund	-	2,999
TOTAL LIABILITIES	5,410	5,189
NET FINANCIAL ASSETS	83,867	67,980
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	53,724	55,618
ACCUMULATED SURPLUS (note 3)	137,591	123,598

The accompanying notes are an integral part of these financial statements

DESERONTO CEMETERY BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2020

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
REVENUES			
Contribution from Town of Deseronto (note 4)	20,000	20,000	20,000
Burial fees	-	7,300	9,565
Sale of plots	-	4,385	1,115
Investment income	-	855	1,786
Transfer from Care and Maintenance Trust	-	2,230	374
TOTAL REVENUES	20,000	34,770	32,840
EXPENSES			
Maintenance contract	7,000	7,000	7,000
Interments	5,000	5,225	6,375
Administration	3,000	2,994	2,556
Repairs	5,000	3,664	1,342
Amortization (note 2)	1,894	1,894	1,894
TOTAL EXPENSES	21,894	20,777	19,167
ANNUAL SURPLUS/(DEFICIT)	<u>(1,894)</u>	13,993	13,673
ACCUMULATED SURPLUS - beginning of year		123,598	109,925
ACCUMULATED SURPLUS - end of year		137,591	123,598

The accompanying notes are an integral part of these financial statements

DESERONTO CEMETERY BOARD
 STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
 For the Year Ended December 31, 2020

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
ANNUAL SURPLUS/(DEFICIT)	(1,894)	13,993	13,673
Amortization of tangible capital assets	1,894	1,894	1,894
INCREASE IN NET FINANCIAL ASSETS	-	15,887	15,567
NET FINANCIAL ASSETS - beginning of year	67,980	67,980	52,413
NET FINANCIAL ASSETS - end of year	67,980	83,867	67,980

The accompanying notes are an integral part of these financial statements

DESERONTO CEMETERY BOARD
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	13,993	13,673
Items not involving cash		
Amortization of tangible capital assets	1,894	1,894
Change in non-cash assets and liabilities		
Due from Town of Deseronto	1,029	9,555
Due from trust fund	(343)	-
Accounts payable	3,220	319
Due to trust fund	(2,999)	206
NET CHANGE IN CASH	16,794	25,647
CASH - beginning of year	72,140	46,493
CASH - end of year	88,934	72,140

The accompanying notes are an integral part of these financial statements

**DESERONTO CEMETERY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES

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

Burial fees and plot sales are recognized as revenue in the year the goods and services are provided.

(b) Use of Estimates

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

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

(c) Tangible Capital Assets

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

Land improvements	10 - 50 years
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(d) Non-Financial Assets

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

(e) Inter-Entity Transactions

The Deseronto Cemetery Board is a Board of the Town of Deseronto and is consolidated with the Town'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 Town.

(f) Trust Funds

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

DESERONTO CEMETERY BOARD
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 2020

2. TANGIBLE CAPITAL ASSETS

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

	Land \$	Land Improvement \$	2020 Totals \$	2019 Totals \$
COST				
Balance, beginning of year	18,723	49,855	68,578	68,578
Balance, end of year	18,723	49,855	68,578	68,578
ACCUMULATED AMORTIZATION				
Balance, beginning of year	-	12,960	12,960	11,066
Add: additions during the year	-	1,894	1,894	1,894
Balance, end of year	-	14,854	14,854	12,960
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	18,723	35,001	53,724	55,618

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2020 \$	2019 \$
Surplus		
Operations	83,867	67,980
Invested In Capital Assets		
Tangible capital assets - net book value	53,724	55,618
	137,591	123,598

DESERONTO CEMETERY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

4. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Town of Deseronto.

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

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

	2020	2019
	\$	\$
Allocated costs:		
Insurance	756	648
Professional fees	1,500	1,500
Grounds maintenance	7,000	7,000
	9,256	9,148

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

All balances with the Town of Deseronto have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

5. BUDGET FIGURES

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

6. TRUST FUND

Trust funds administered by the Board amounting to \$126,121 (2019 - \$123,831) 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.

7. UNCERTAINTY CAUSED BY COVID-19

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

INDEPENDENT AUDITOR'S REPORT

**To the Members of the Deseronto Cemetery Board, the
Members of Council, Inhabitants and Ratepayers of the
Corporation of the Town of Deseronto**

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2020, and the continuity of the Trust Fund 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 Fund 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 Fund'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 Trust Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Fund'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 Trust Fund'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 Trust Fund'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 Trust Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
September 22, 2021

CORPORATION OF THE TOWN OF DESERONTO



**DESERONTO CEMETERY BOARD - CARE AND MAINTENANCE TRUST
FUND
STATEMENT OF FINANCIAL POSITION
At December 31, 2020**

	2020 \$	2019 \$
FINANCIAL ASSETS		
Cash	2,290	50,028
Investments (note 2)	122,140	70,202
Due from Cemetery Board	-	2,999
Accrued interest	2,034	602
	126,464	123,831
LIABILITIES AND TRUST FUND BALANCES		
CURRENT LIABILITIES		
Due to Cemetery Board	343	-
FUND BALANCE	126,121	123,831
	126,464	123,831

**DESERONTO CEMETERY BOARD - CARE AND MAINTENANCE TRUST
FUND
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2020**

	2020 \$	2019 \$
BALANCE - beginning of year	123,831	121,896
RECEIPTS		
Interest income	2,230	399
Care and maintenance fund	2,290	1,910
	4,520	2,309
EXPENSES		
Transfer to Cemetery Board	2,230	374
BALANCE - end of year	126,121	123,831

The accompanying notes are an integral part of these financial statements

**DESERONTO CEMETERY BOARD - CARE AND MAINTENANCE TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Use of Estimates

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

2. INVESTMENTS

The investments held in the trust at the end of the year at cost are as follows:

	2020	2019
	\$	\$
CIBC Guaranteed Investment Certificates		
- interest at 2.0%, maturing September 2, 2021	122,140	61,202
- interest at 1.3%, maturing November 16, 2020	-	9,000
	122,140	70,202

3. CARE AND MAINTENANCE FUNDS

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