



CORPORATION OF THE TOWN OF DESERONTO

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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CORPORATION OF THE TOWN OF DESERONTO

For The Year Ended December 31, 2019

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

CAO/Clerk-Treasurer

October 14, 2020

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, 2019, 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, 2019, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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
October 14, 2020

CORPORATION OF THE TOWN OF DESERONTO



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2019

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investment (note 3)	814,656	318,651
Taxes receivable	322,450	431,225
Accounts receivable	1,045,309	2,384,904
TOTAL FINANCIAL ASSETS	2,182,415	3,134,780
LIABILITIES		
Bank overdraft (note 10)	-	353,923
Accounts payable and accrued liabilities	662,234	1,013,695
Deferred revenue - obligatory reserve funds (note 4)	343,471	331,006
Deferred revenue - other (note 5)	48,356	74,301
Long term debt (note 6)	2,310,927	1,975,048
Liability for contaminated sites (note 7)	123,800	123,800
TOTAL LIABILITIES	3,488,788	3,871,773
NET DEBT	(1,306,373)	(736,993)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	22,438,284	19,572,664
Prepaid expenses	19,352	9,227
TOTAL NON-FINANCIAL ASSETS	22,457,636	19,581,891
ACCUMULATED SURPLUS (note 9)	21,151,263	18,844,898

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2019

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Property taxation	1,434,524	1,475,645	1,366,676
User charges	1,690,784	1,615,133	1,505,087
Government of Canada	1,187,620	964,607	1,276,493
Province of Ontario	2,047,574	2,054,634	2,075,678
Other municipalities	42,200	42,200	42,200
Penalties and interest on taxes	50,000	40,988	47,916
Investment income	4,015	21,063	8,331
Mohawks of the Bay of Quinte	414,967	337,741	424,915
Federal gas tax earned	220,000	209,162	50,000
Provincial gas tax earned	181,115	202,240	266,939
Gain on disposal of tangible capital assets	95,000	55,779	-
Other revenue	65,724	84,721	50,045
TOTAL REVENUES	7,433,523	7,103,913	7,114,280
EXPENSES			
General government	505,807	546,121	409,144
Protection services	647,015	620,921	602,015
Transportation services	1,139,399	1,065,588	968,652
Environmental services	1,601,820	1,783,431	1,477,388
Health services	21,894	19,166	16,943
Recreation and cultural services	712,955	724,683	685,601
Planning and development	41,500	37,638	10,428
TOTAL EXPENSES	4,670,390	4,797,548	4,170,171
ANNUAL SURPLUS	<u>2,763,133</u>	2,306,365	2,944,109
ACCUMULATED SURPLUS - beginning of year		18,844,898	15,900,789
ACCUMULATED SURPLUS - end of year		21,151,263	18,844,898

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended December 31, 2019

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
ANNUAL SURPLUS	2,763,133	2,306,365	2,944,109
Amortization of tangible capital assets	815,529	1,041,966	815,529
Purchase of tangible capital assets	(4,689,781)	(3,939,566)	(4,125,822)
Gain on disposal of tangible capital assets	-	(55,779)	-
Proceeds on sale of tangible capital assets	-	87,759	6,000
Change in prepaid expenses	-	(10,125)	4,946
CHANGE IN NET DEBT	(1,111,119)	(569,380)	(355,238)
NET DEBT - beginning of year	(736,993)	(736,993)	(381,755)
NET DEBT - end of year	(1,848,112)	(1,306,373)	(736,993)

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	2,306,365	2,944,109
Items not involving cash		
Amortization of tangible capital assets	1,041,966	815,529
Gain on disposal of tangible capital assets	(55,779)	-
Change in non-cash assets and liabilities		
Taxes receivable	108,775	(99,293)
Accounts receivable	1,339,595	(1,334,878)
Prepaid expenses	(10,125)	4,946
Accounts payable and accrued liabilities	(351,461)	397,234
Deferred revenue - obligatory reserve funds	12,465	(17,612)
Deferred revenue - other	(25,945)	15,463
Net change in cash from operating activities	4,365,856	2,725,498
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(3,939,566)	(4,125,822)
Proceeds on disposal of tangible capital assets	87,759	6,000
Net change in cash from capital activities	(3,851,807)	(4,119,822)
FINANCING ACTIVITIES		
Long term debt issued	500,000	531,314
Debt principal repayments	(164,121)	(164,557)
Net change in cash from financing activities	335,879	366,757
NET CHANGE IN CASH AND CASH EQUIVALENTS	849,928	(1,027,567)
CASH AND CASH EQUIVALENTS - beginning of year	(35,272)	992,295
CASH AND CASH EQUIVALENTS - end of year	814,656	(35,272)
Comprised of:		
Cash and temporary investment	814,656	318,651
Bank overdraft	-	(353,923)
	814,656	(35,272)

The accompanying notes are an integral part of these financial statements

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

The 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. 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 - 30 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

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

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

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 and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates;
- 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 2019, 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	232,543	321,759

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:

	2019 \$	2018 \$
Parkland Guaranteed Investment Certificate - interest at 0.6%, maturing March 11, 2020	9,936	9,831

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

4. 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:

	2019	2018
	\$	\$
Parkland	14,619	14,548
Lot levy	16,251	16,242
Federal gas tax	223,388	202,466
Provincial gas tax	89,213	97,750
	343,471	331,006

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

	2019	2018
	\$	\$
Balance - beginning of year	331,006	348,618
Add amounts received:		
Interest	4,786	2,185
Federal gas tax	226,703	111,580
Provincial gas tax	192,378	185,562
	423,867	299,327
Less transfer to operations:		
Federal gas tax earned	209,162	50,000
Provincial gas tax earned	202,240	266,939
	411,402	316,939
Balance - end of year	343,471	331,006

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

5. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2019	2018
	\$	\$
Source water protection	-	1,637
Other	17,395	41,703
Arctic Gardens	27,465	27,465
Library	3,496	3,496
	48,356	74,301

6. LONG TERM DEBT

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

	2019	2018
	\$	\$
Long term bank loan with monthly principal payments of \$990 plus interest at prime rate, currently at 3.0%, due in 2022.	27,380	39,260
Long term bank loan with blended monthly payments of \$970 plus interest at 3.0%, due in 2022.	28,010	39,650
Long term bank loan with monthly payments of \$1,635 plus interest at prime, currently 3.0%, due in 2020.	6,340	25,960
Long term bank loan with monthly payments of \$4,592 plus interest at prime, currently 3.0%, due in 2019.	-	48,530
Lease purchase agreement with blended monthly payments of \$1,370 with interest at 14.69%, due in 2020.	10,610	24,756
Lease purchase agreement with blended monthly payments of \$3,039 with interest at 5.55%, due in 2020.	5,296	37,069
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.	1,233,291	1,259,823
Advances from Ontario Infrastructure and Lands Corporation. Terms of debenture finalized subsequent to December 31, 2019. Due March 2, 2050, repayable in blended monthly payments of \$24,106 and bearing interest at 2.6% per annum.	1,000,000	500,000
	2,310,927	1,975,048

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

6. 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 \$15,906 related to capital leases (2018 - \$61,825).
- (d) The total interest charges reported on the Consolidated Schedules of Segment Disclosure of \$76,195 (2018 - \$57,350) include interest paid during the year on long term debt in the amount of \$69,580 (2018 - \$52,002) and imputed interest on capital leases in the amount of \$6,615 (2018 - \$5,348).
- (e) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2020	84,335	58,339	142,674
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 and subsequent years	1,980,659	811,262	2,791,921
	2,310,927	1,127,888	3,438,815

7. 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, 2019

8. TANGIBLE CAPITAL ASSETS

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

	2019	2018
	\$	\$
General		
Land and land improvements	1,119,078	1,137,835
Buildings	6,265,448	3,355,994
Machinery and equipment	12,396,104	8,738,254
Vehicles	448,355	397,533
Computer hardware and software	165,358	176,324
Infrastructure		
Roadways	1,001,492	627,054
Water and sewer system	1,037,241	801,607
	22,433,076	15,234,601
Assets under construction	5,208	4,338,063
	22,438,284	19,572,664

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

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

Tangible capital assets allocated by segment are as follows:

	2019	2018
	\$	\$
General government	376,341	346,845
Protection services	246,774	279,701
Transportation services	2,103,066	1,713,333
Environmental services	17,428,140	14,836,847
Health services	55,619	57,512
Recreation and cultural services	2,228,344	2,338,426
	22,438,284	19,572,664

The net book value of tangible capital assets above includes the calculated cost of capital leases in the amount of \$281,072 (2018 - \$229,407) and accumulated amortization of \$74,879 (2018 - \$45,631). In addition, the amortization reported on the Consolidated Schedules of Segment Disclosure includes amortization of capital leases in the amount of \$22,374 (2018 - \$17,207).

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

9. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019	2018
	\$	\$
Surplus/(Deficit)		
Town	(156,043)	(138,804)
Unfunded remediation costs of contaminated sites	(123,800)	(123,800)
Deseronto Public Library Board	36,070	36,070
Deseronto Cemetery Board	67,980	52,413
	<u>(175,793)</u>	<u>(174,121)</u>
Invested In Capital Assets		
Tangible capital assets - net book value	22,438,284	19,572,664
Long term debt	(2,310,927)	(1,975,048)
Unfunded capital - water treatment plant	(353,922)	(406,688)
	<u>19,773,435</u>	<u>17,190,928</u>
Surplus	<u>19,597,642</u>	<u>17,016,807</u>
Reserves		
Working funds	680,575	680,575
Future capital assets	469,989	393,725
Water and sewer	377,683	733,552
Zoning	6,688	6,688
Library donations	18,686	13,551
Total Reserves	<u>1,553,621</u>	<u>1,828,091</u>
	<u>21,151,263</u>	<u>18,844,898</u>

10. 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 02-19. At December 31, 2019 there was no balance outstanding (2018 - \$353,923).

11. CONTINGENT LIABILITIES

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

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

12. EXPENSES BY OBJECT

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

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
Salaries and benefits	1,533,451	1,472,678	1,388,107
Interest charges	104,023	76,195	57,350
Materials	1,530,446	1,501,761	1,283,668
Contracted services	633,342	650,445	593,497
Rents and financial	9,000	11,539	8,735
External transfers	44,599	42,964	23,285
Amortization	815,529	1,041,966	815,529
	4,670,390	4,797,548	4,170,171

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

The Town's required contributions to OMERS in 2019 were \$76,024 (2018 - \$67,560).

14. TRUST FUNDS

Trust funds administered by the Town amounting to \$124,831 (2018 - \$122,985) 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, 2019

15. BUDGET FIGURES

The budget, approved by the Town, for 2019 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) 2019 Revenue \$	(Unaudited) 2019 Expenses \$
Council approved budget:		
Operating	5,011,558	4,505,057
Capital	4,183,280	4,689,781
Total Council approved budget	9,194,838	9,194,838
Less: Tangible capital assets capitalized	-	(4,689,781)
Add: Amortization of tangible capital assets	-	815,529
Less: Long term debt proceeds	(1,060,653)	-
Less: Principal repayment of long term debt	-	(200,196)
Less: Transfers to/from reserves	(700,662)	(450,000)
Adjusted budget per Consolidated Statement of Operations	7,433,523	4,670,390

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.

16. SEGMENTED INFORMATION, continued

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. SUBSEQUENT EVENT

On March 11, 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, 2019



	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	2,099,482	6,592,980	11,374,124	1,005,121	283,616	2,266,363	2,737,469	4,338,063	30,697,218
Add: additions during the year	47,859	37,693	44,491	124,373	-	435,993	303,383	2,945,774	3,939,566
Less: disposals during the year	21,000	928,830	354,028	-	-	50,444	-	-	1,354,302
Internal transfers	-	3,106,052	4,172,577	-	-	-	-	(7,278,629)	-
Balance, end 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
ACCUMULATED AMORTIZATION									
Balance, beginning of year	961,647	3,236,986	2,635,870	607,588	107,292	1,639,309	1,935,862	-	11,124,554
Add: additions during the year	45,616	234,291	548,238	73,551	10,966	61,555	67,749	-	1,041,966
Less: disposals during the year	-	928,830	343,048	-	-	50,444	-	-	1,322,322
Balance, end of year	1,007,263	2,542,447	2,841,060	681,139	118,258	1,650,420	2,003,611	-	10,844,198
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,119,078	6,265,448	12,396,104	448,355	165,358	1,001,492	1,037,241	5,208	22,438,284

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	1,292,170	10,680	159,039	800	1,615,133
Government transfers - operating	1,001,145	10,000	15,863	-	-	10,600	-	1,037,608
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 revenue	-	-	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

CORPORATION OF THE TOWN OF DESERONTO



CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2018

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	(340,224)	627,000	555,400	36,000	20,000	456,300	12,200	1,366,676
User charges	5,377	9,168	115,727	1,199,564	8,244	167,007	-	1,505,087
Government transfers - operating	717,680	-	53,509	-	-	10,276	-	781,465
Government transfers - capital	-	-	50,000	2,520,706	-	-	-	2,570,706
Other municipalities	-	-	42,200	-	-	-	-	42,200
Penalties and interest on taxes	47,916	-	-	-	-	-	-	47,916
Investment income	4,525	-	-	2,284	1,058	464	-	8,331
Mohawks of the Bay of Quinte	-	-	-	424,915	-	-	-	424,915
Federal gas tax earned	-	-	50,000	-	-	-	-	50,000
Provincial gas tax earned	-	-	266,939	-	-	-	-	266,939
Other revenue	-	9,047	35,680	-	-	5,303	15	50,045
Total revenues	435,274	645,215	1,169,455	4,183,469	29,302	639,350	12,215	7,114,280
Expenses								
Salaries and benefits	289,378	56,305	503,296	297,228	-	241,900	-	1,388,107
Interest charges	89	5,988	2,195	44,683	-	4,395	-	57,350
Materials	102,345	55,503	323,114	504,553	1,974	285,751	10,428	1,283,668
Contracted services	48,710	427,669	4,396	101,098	6,075	5,549	-	593,497
Rents and financial	5,959	-	-	2,776	-	-	-	8,735
External transfers	1,624	21,661	-	-	-	-	-	23,285
Amortization	11,882	33,944	164,406	457,631	1,894	145,772	-	815,529
Internal transfers	(50,843)	945	(28,755)	69,419	7,000	2,234	-	-
Total expenses	409,144	602,015	968,652	1,477,388	16,943	685,601	10,428	4,170,171
Net surplus/(deficit)	26,130	43,200	200,803	2,706,081	12,359	(46,251)	1,787	2,944,109

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

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

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
October 14, 2020

TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
 At December 31, 2019

	Cemetery Perpetual Care and Maintenance \$	Memorial Scholarship \$	2019 Total \$	2018 Total \$
FINANCIAL ASSETS				
Cash	50,028	-	50,028	48,673
Investments (note 2)	70,202	1,000	71,202	71,202
Due from Cemetery Board	2,999	-	2,999	2,793
Accrued interest	602	-	602	228
Due from Town of Deseronto	-	-	-	89
	123,831	1,000	124,831	122,985
FUND BALANCES				
Capital	123,717	1,000	124,717	122,896
Income	114	-	114	89
	123,831	1,000	124,831	122,985

TRUST FUNDS
STATEMENT OF CONTINUITY
 For the Year Ended December 31, 2019

	Cemetery Perpetual Care and Maintenance \$	Memorial Scholarship \$	2019 Total \$	2018 Total \$
BALANCES - beginning of year	121,896	1,089	122,985	121,626
RECEIPTS				
Interest earned	399	5	404	402
Care and maintenance receipts	1,910	-	1,910	1,330
	2,309	5	2,314	1,732
EXPENSES				
Transfer to Cemetery Board current fund	374	-	374	373
Transfer to Town for scholarship	-	94	94	-
	374	94	468	373
BALANCES - end of year	123,831	1,000	124,831	122,985

The accompanying notes are an integral part of these financial statements

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the 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:

	2019 Cost \$	2018 Cost \$
CIBC Guaranteed Investment Certificates		
- interest at 1.6%, maturing May 26, 2020	61,202	61,202
- interest at 1.3%, maturing November 16, 2020	9,000	9,000
- interest at 0.55%, maturing January 15, 2020	1,000	1,000
	71,202	71,202

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 at the Deseronto Cemetery. The operations and investments of the Fund are undertaken by the Board in accordance with the regulations of the Cemeteries Act.

4. SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects 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 Trust's operations. The extent of the impact of this outbreak and related containment measures on the operations cannot be reliably estimated at this time.

**CORPORATION OF THE TOWN OF
DESERONTO**

DESERONTO PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

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

Basis for Qualified Opinion

In common with many Public Library Boards, the Board derives revenue from 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
October 14, 2020

DESERONTO PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2019

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	58,940	53,199
Accounts receivable	103	-
HST receivable	3,592	3,420
TOTAL FINANCIAL ASSETS	62,635	56,619
LIABILITIES		
Accounts payable	2,833	1,952
Deferred revenue	3,496	3,496
Due to Town of Deseronto (note 5)	1,550	1,550
TOTAL LIABILITIES	7,879	6,998
NET FINANCIAL ASSETS	54,756	49,621
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	30,025	23,933
ACCUMULATED SURPLUS (note 4)	84,781	73,554

The accompanying notes are an integral part of these financial statements

**DESERONTO PUBLIC LIBRARY BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Contribution from Town of Deseronto (note 5)	116,000	116,000	114,500
Grants	12,884	12,459	10,748
User charges	1,400	2,343	2,607
Donations and fundraising	1,994	6,042	4,348
Investment income	15	1,304	464
Rent	7,800	7,800	7,800
TOTAL REVENUES	140,093	145,948	140,467
EXPENSES			
Salaries and benefits	93,664	92,419	83,753
Utilities	9,150	9,418	8,398
Administration	6,669	4,632	4,198
Insurance	1,816	1,846	1,817
Professional fees	1,500	1,500	4,050
Repairs and maintenance	2,500	3,260	2,939
Computers and automation	14,300	12,647	12,899
Other	494	-	3,311
Amortization	7,829	8,999	7,829
TOTAL EXPENSES	137,922	134,721	129,194
ANNUAL SURPLUS	<u>2,171</u>	11,227	11,273
ACCUMULATED SURPLUS - beginning of year		73,554	62,281
ACCUMULATED SURPLUS - end of year		84,781	73,554

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, 2019

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
ANNUAL SURPLUS	2,171	11,227	11,273
Amortization of tangible capital assets	7,829	8,999	7,829
Acquisition of tangible capital assets	(10,000)	(15,091)	(7,989)
INCREASE IN NET FINANCIAL ASSETS	-	5,135	11,113
NET FINANCIAL ASSETS - beginning of year	49,621	49,621	38,508
NET FINANCIAL ASSETS - end of year	49,621	54,756	49,621

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, 2019

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	11,227	11,273
Items not involving cash		
Amortization of tangible capital assets	8,999	7,829
Change in non-cash assets and liabilities		
Accounts receivable	(103)	-
HST receivable	(172)	(823)
Accounts payable	881	59
Deferred revenue	-	(3,000)
Due to Town of Deseronto	-	50
Net change in cash from operating activities	20,832	15,388
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(15,091)	(7,989)
NET CHANGE IN CASH	5,741	7,399
CASH - beginning of year	53,199	45,800
CASH - end of year	58,940	53,199

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, 2019**

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. 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 and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(c) Tangible Capital Assets

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

Books	7 years
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.

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. SUBSEQUENT EVENT

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

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

3. TANGIBLE CAPITAL ASSETS

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

	Books \$	Computers and equipment \$	2019 Totals \$	2018 Totals \$
COST				
Balance, beginning of year	54,599	17,242	71,841	71,370
Add: additions during the year	10,274	4,817	15,091	7,989
Less: disposals during the year	5,455	-	5,455	7,518
Balance, end of year	59,418	22,059	81,477	71,841
ACCUMULATED AMORTIZATION				
Balance, beginning of year	35,954	11,954	47,908	47,597
Add: additions during the year	6,355	2,644	8,999	7,829
Less: disposals during the year	5,455	-	5,455	7,518
Balance, end of year	36,854	14,598	51,452	47,908
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	22,564	7,461	30,025	23,933

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019 \$	2018 \$
Surplus		
Operations	36,070	36,070
Invested In Capital Assets		
Tangible capital assets - net book value	30,025	23,933
Surplus	66,095	60,003
Reserve		
Donations	18,686	13,551
	84,781	73,554

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

5. 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 transactions are as follows:

	2019	2018
	\$	\$
Allocated costs:		
Insurance	1,846	1,817
Professional fees	1,500	1,550
Water and sewer	964	945
	4,310	4,312

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.

6. BUDGET FIGURES

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

**CORPORATION OF THE TOWN OF
DESERONTO**

DESERONTO CEMETERY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

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

Basis for 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
October 14, 2020

DESERONTO CEMETERY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2019

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	72,140	46,493
Due from Town of Deseronto (note 5)	1,029	10,584
TOTAL FINANCIAL ASSETS	73,169	57,077
LIABILITIES		
Accounts payable	2,190	1,871
Due to trust fund	2,999	2,793
TOTAL LIABILITIES	5,189	4,664
NET FINANCIAL ASSETS	67,980	52,413
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	55,618	57,512
ACCUMULATED SURPLUS (note 4)	123,598	109,925

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWN OF DESERONTO



**DESERONTO CEMETERY BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2019**

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
REVENUES			
Contribution from Town of Deseronto (note 5)	20,000	20,000	20,000
Burial fees	-	9,565	6,075
Sale of plots	-	1,115	2,169
Investment income	-	1,786	685
Perpetual care interest	-	374	373
TOTAL REVENUES	20,000	32,840	29,302
EXPENSES			
Maintenance contract	7,000	7,000	7,000
Interments	5,000	6,375	4,575
Administration	3,000	2,556	2,800
Repairs	5,000	1,342	674
Amortization	1,894	1,894	1,894
TOTAL EXPENSES	21,894	19,167	16,943
ANNUAL SURPLUS/(DEFICIT)	<u>(1,894)</u>	13,673	12,359
ACCUMULATED SURPLUS - beginning of year		109,925	97,566
ACCUMULATED SURPLUS - end of year		123,598	109,925

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, 2019

	Budget 2019 \$ (Unaudited)	Actual 2019 \$	Actual 2018 \$
ANNUAL SURPLUS/(DEFICIT)	(1,894)	13,673	12,359
Amortization of tangible capital assets	1,894	1,894	1,894
INCREASE IN NET FINANCIAL ASSETS	-	15,567	14,253
NET FINANCIAL ASSETS - beginning of year	52,413	52,413	38,160
NET FINANCIAL ASSETS - end of year	52,413	67,980	52,413

The accompanying notes are an integral part of these financial statements

DESERONTO CEMETERY BOARD
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	13,673	12,359
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	9,555	1,771
Accounts payable	319	(386)
Due to trust fund	206	(2,527)
NET CHANGE IN CASH	25,647	13,111
CASH - beginning of year	46,493	33,382
CASH - end of year	72,140	46,493

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, 2019**

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. 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 and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The Board's tangible capital assets include land which is not amortized and land improvements which are amortized on a straight-line basis over 20 years.

(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, 2019**

2. TRUST FUND

Trust funds administered by the Board amounting to \$123,831 (2018 - \$121,896) 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.

3. TANGIBLE CAPITAL ASSETS

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

	Land \$	Land Improvement \$	2019 Totals \$	2018 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	-	11,066	11,066	9,172
Add: additions during the year	-	1,894	1,894	1,894
Balance, end of year	-	12,960	12,960	11,066
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	18,723	36,895	55,618	57,512

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2019 \$	2018 \$
Surplus		
Operations	67,980	52,413
Invested In Capital Assets		
Tangible capital assets - net book value	55,618	57,512
	123,598	109,925

DESERONTO CEMETERY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

5. 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 related party expense transactions are as follows:

	2019	2018
	\$	\$
Allocated costs:		
Insurance	648	630
Professional fees	1,500	1,500
Grounds maintenance	7,000	7,000
	9,148	9,130

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.

6. BUDGET FIGURES

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

7. SUBSEQUENT EVENT

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

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2019, 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
October 14, 2020

CORPORATION OF THE TOWN OF DESERONTO



**DESERONTO CEMETERY BOARD - PERPETUAL CARE AND
MAINTENANCE TRUST FUND
STATEMENT OF FINANCIAL POSITION
At December 31, 2019**

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	50,028	48,673
Investments (note 2)	70,202	70,202
Due from Cemetery Board	2,999	2,793
Accrued interest	602	228
	123,831	121,896
FUND BALANCE	123,831	121,896

**DESERONTO CEMETERY BOARD - PERPETUAL CARE AND
MAINTENANCE TRUST FUND
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2019**

	2019	2018
	\$	\$
BALANCE - beginning of year	121,896	120,542
RECEIPTS		
Interest income	399	397
Care and maintenance fund	1,910	1,330
	2,309	1,727
EXPENSES		
Transfer to Cemetery Board	374	373
BALANCE - end of year	123,831	121,896

The accompanying notes are an integral part of these financial statements

**DESERONTO CEMETERY BOARD - PERPETUAL CARE AND MAINTENANCE TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the 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:

	2019	2018
	\$	\$
CIBC Guaranteed Investment Certificates		
- interest at 1.6%, maturing May 26, 2020	61,202	61,202
- interest at 1.3%, maturing November 16, 2020	9,000	9,000
	70,202	70,202

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.

4. SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects 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 Trust's operations. The extent of the impact of this outbreak and related containment measures on the operations cannot be reliably estimated at this time.