

CORPORATION OF THE COUNTY OF HASTINGS

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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"WORKING AND GROWING TOGETHER"

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CORPORATION OF THE COUNTY OF HASTINGS

For The Year Ended December 31, 2022

MANAGEMENT REPORT

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

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

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

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

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

Warden

Director of Finance/
Treasurer

June 29, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Hastings

Opinion

We have audited the consolidated financial statements of the Corporation of the County of Hastings and its local board (the County), which comprise the consolidated statement of financial position as at December 31, 2022, 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 County as at December 31, 2022, 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 County 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 County'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 County or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the County'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 County'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 County'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 County 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 County 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
June 29, 2023



CORPORATION OF THE COUNTY OF HASTINGS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash	32,497,176	28,900,337
Investments (note 3)	2,644,552	2,593,078
Trade and other receivables	14,139,260	11,960,032
Long term receivables (note 6)	2,658,128	2,557,088
TOTAL FINANCIAL ASSETS	51,939,116	46,010,535
LIABILITIES		
Accounts payable and accrued liabilities	22,942,686	17,470,482
Deferred revenue - obligatory reserve funds (note 4)	399,676	332,668
Deferred revenue - other	1,326,689	1,328,386
Long term debt (note 5)	19,862,441	24,188,490
Employee future amounts payable (note 6)	13,482,139	12,095,083
TOTAL LIABILITIES	58,013,631	55,415,109
NET DEBT	(6,074,515)	(9,404,574)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 7)	97,477,572	97,653,008
Prepaid expenses	1,475,054	398,914
TOTAL NON-FINANCIAL ASSETS	98,952,626	98,051,922
ACCUMULATED SURPLUS (note 9)	92,878,111	88,647,348

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF HASTINGS

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Property taxation	16,943,925	16,957,288	16,283,907
User charges	15,893,817	16,762,023	16,326,569
Government of Canada	3,232,104	2,915,799	2,140,346
Province of Ontario	91,147,677	93,064,954	85,444,700
Other municipalities	29,520,072	29,593,443	28,424,992
Provincial Offenses Act - fines (note 14)	1,600,000	1,519,204	1,518,273
Investment income	228,901	897,256	316,623
Canada Community-Building Fund earned	1,260,108	1,202,164	2,410,369
Other	257,885	507,807	510,997
TOTAL REVENUES	160,084,489	163,419,938	153,376,776
EXPENSES			
General government	4,723,109	5,385,297	4,819,540
Protection services	1,671,053	1,590,931	1,677,739
Transportation services	1,396,572	1,444,300	2,621,228
Health services	26,072,876	26,329,649	25,597,251
Social and family services	93,520,114	95,909,203	86,776,125
Social housing	26,886,332	27,026,750	26,271,974
Planning and development	1,744,750	1,503,045	1,445,304
TOTAL EXPENSES	156,014,806	159,189,175	149,209,161
ANNUAL SURPLUS	<u>4,069,683</u>	4,230,763	4,167,615
ACCUMULATED SURPLUS - beginning of year		88,647,348	84,479,733
ACCUMULATED SURPLUS - end of year		92,878,111	88,647,348

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF HASTINGS

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS	4,069,683	4,230,763	4,167,615
Amortization of tangible capital assets	5,663,101	5,728,111	5,663,101
Purchase of tangible capital assets	(13,840,807)	(5,774,986)	(4,232,329)
Loss/(gain) on disposal of tangible capital assets	-	182,710	(88,577)
Proceeds on sale of tangible capital assets	-	39,601	88,776
Change in prepaid expenses	-	(1,076,140)	(112,449)
CHANGE IN NET DEBT	(4,108,023)	3,330,059	5,486,137
NET DEBT - beginning of year	(9,404,574)	(9,404,574)	(14,890,711)
NET DEBT - end of year	(13,512,597)	(6,074,515)	(9,404,574)

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF HASTINGS

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	4,230,763	4,167,615
Items not involving cash		
Amortization of tangible capital assets	5,728,111	5,663,101
Loss/(gain) on disposal of tangible capital assets	182,710	(88,577)
Change in employee future amounts payable	1,387,056	1,234,168
Change in non-cash assets and liabilities		
Trade and other receivables	(2,179,228)	(4,061,112)
Long term receivables	(101,040)	(235,191)
Prepaid expenses	(1,076,140)	(112,449)
Accounts payable and accrued liabilities	5,472,204	(1,850,069)
Deferred revenue - obligatory reserve funds	67,008	58,552
Deferred revenue - other	(1,697)	(1,290,878)
Net change in cash from operating activities	13,709,747	3,485,160
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(5,774,986)	(4,232,329)
Proceeds on disposal of tangible capital assets	39,601	88,776
Net change in cash from capital activities	(5,735,385)	(4,143,553)
INVESTING ACTIVITIES		
Purchase of investments	(51,474)	(40,515)
FINANCING ACTIVITIES		
Debt principal repayments	(4,326,049)	(4,696,792)
NET CHANGE IN CASH	3,596,839	(5,395,700)
CASH - beginning of year	28,900,337	34,296,037
CASH - end of year	32,497,176	28,900,337

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

The County of Hastings is an upper 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 County and which are owned and controlled by the County. These consolidated financial statements include:

- Hastings Local Housing Corporation

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

(b) 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

The County establishes the tax rates annually based on the amount required to be raised. These tax rates are used to levy amounts to the lower tier municipalities are based on their annual assessment. Adjustments to the lower tier levy amounts for additions to and reductions in assessment are reported in the consolidated financial statements when amounts can be reasonably determined.

Government Funding

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

Other revenue

Fines levied under the Provincial Offenses Act 1997 are recognized when the funds are received. (see note 14).

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

Investment income is recorded when earned.

Canada Community-Building Fund is recognized in the period in which the related expenditures are recorded.

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) 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 County'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 County's significant estimates include:

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

(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.

(e) Non-financial Assets

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

(f) 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, over the expected useful life of the asset, as follows:

Land improvements	25-50 years straight-line
Buildings	50-100 years straight-line
Building components	10-50 years straight-line
Leasehold improvements	current lease term plus one renewal term
Machinery and equipment	2-50 years straight-line
Ambulances	percentage of use
Other vehicles	7 years straight-line
Computer hardware and software	4 years straight-line
Roads and bridges	15-50 years straight-line

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

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

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) 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.

(h) Trust Funds

Trust funds and their related operations administered by the County 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.

2. COMPARATIVE FIGURES

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

3. INVESTMENTS

Investments are recorded at cost and are comprised of:

	2022	2021
	\$	\$
WorldSource Financial Management Inc.		
Short term bond Fund	2,644,552	2,593,078

The County is exposed to interest rate risk as the market value of the fund will generally rise if interest rates fall and conversely fall if interest rates rise. The current market value of the fund is \$2,381,333

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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 balance in the obligatory reserve funds of the County is summarized below:

	2022	2021
	\$	\$
Canada Community-Building Fund	399,676	332,668

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

	2022	2021
	\$	\$
Balance - beginning of year	332,668	274,116
Add amounts received:		
Canada Community-Building Fund	1,256,808	2,465,013
Interest	12,364	3,908
	1,269,172	2,468,921
Less transfer to operations:		
Canada Community-Building Fund earned	1,202,164	2,410,369
Balance - end of year	399,676	332,668

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

5. LONG TERM DEBT

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

	2022 \$	2021 \$
Long term debt issued for the North Hastings Professional Building matures April 30, 2026. It is repayable in blended monthly instalments of \$4,565 with interest at the rate of 3.08% per annum.	173,330	221,957
Long term debt issued for Centennial Manor matures May 30, 2022. It is repayable in blended monthly instalments of \$55,817 with interest at the rate of 3.70% per annum.	-	277,889
Long term debt issued for Centennial Manor matures May 30, 2022. It is repayable in blended monthly instalments of \$19,588 with interest at the rate of 3.66% per annum.	-	116,285
Long term debt issued for Centennial Manor matures May 31, 2022. It is repayable in blended monthly instalments of \$3,297 with interest at the rate of 2.97% per annum.	-	16,363
Long term debt issued for Hastings Manor matures September 30, 2023. It is repayable in blended monthly instalments of \$51,568 with interest at the rate of 4.64% per annum.	455,265	1,038,202
Long term debt issued for Hastings Manor matures September 30, 2023. It is repayable in blended monthly instalments of \$52,353 with interest at the rate of 4.74% per annum.	462,009	1,053,067
Long term debt issued for Hastings Manor matures September 30, 2023. It is repayable in blended monthly instalments of \$65,835 with interest at the rate of 4.64% per annum.	581,222	1,325,440
Long term debt issued for Hastings Manor matures September 30, 2023. It is repayable in blended monthly instalments of \$20,652 with interest at the rate of 4.14% per annum.	182,704	417,665
Long term debt issued by the Hastings Local Housing Corporation to the Canada Mortgage and Housing Corporation (CMHC) matures March 1, 2023 and is secured by the land and building at 48A Brant Street, Deseronto, Ontario. It is repayable in blended monthly instalments of \$10,425 with interest at the rate of 2.39% per annum.	598,516	707,967
Long term debt issued by the Hastings Local Housing Corporation to CMHC matures March 1, 2023 and is secured by the land and building at 59 Russell Street, Belleville, Ontario. It is repayable in blended monthly instalments of \$31,747 with interest at the rate of 2.39% per annum.	1,850,757	2,183,411

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

5. LONG TERM DEBT, continued

Debenture issued for the Hastings Local Housing Corporation to OILC matures February 18, 2040. It is repayable in blended semi-annual instalments of \$233,535 with interest at the rate of 2.59% per annum.	6,538,863	6,830,594
Long term debt issued by the Hastings Local Housing Corporation to CMHC matures January 1, 2025 and is secured by the land and building at 424 Bleeker Avenue, Belleville, Ontario. It is repayable in blended monthly instalments of \$16,937 with interest at the rate of 0.69% per annum.	420,281	619,885
Long term debt issued by the Hastings Local Housing Corporation to the Scotiabank matures April 1, 2027 and is secured by the land and building at 24 Brown Street, Belleville, Ontario. It is repayable in blended monthly instalments of \$15,607 with interest at the rate of 2.75% per annum.	1,394,234	1,542,880
Long term debt issued for the Hastings Local Housing Corporation to Scotiabank matures on November 1, 2025 and is secured by the land and building at 46 Tracey Park Drive, Belleville, Ontario. It is repayable in blended monthly instalments of \$21,827 with interest at the rate of 1.18% per annum.	1,250,645	1,496,280
Debenture issued by the County of Hastings to OILC matures June 15, 2041. It is repayable in blended semi-annual instalments of \$118,109 with interest at the rate of 3.30% per annum.	3,251,286	3,377,089
Debenture issued by the County of Hastings to OILC matures July 15, 2024. It is repayable in blended semi-annual instalments of \$58,148 with interest at the rate of 2.05% per annum.	226,752	336,706
Debenture issued for Hastings Manor to OILC matures July 15, 2034. It is repayable in blended semi-annual instalments of \$26,958 with interest at the rate of 2.52% per annum.	555,343	594,523
Debenture issued for Hastings Manor to OILC matures February 18, 2030. It is repayable in blended semi-annual instalments of \$22,943 with interest at the rate of 2.42% per annum.	313,001	350,929
Debenture issued for Hastings Manor to OILC matures July 2, 2040. It is repayable in blended semi-annual instalments of \$53,693 with interest at the rate of 2.06% per annum.	1,608,233	1,681,358
	19,862,441	24,188,490

- (b) The long term debt in (a) issued in the name of the County or the Hastings Local Housing Corporation 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.

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

5. LONG TERM DEBT, continued

- (c) Interest paid during the year on long term debt amounted to \$588,387 (2021 - \$760,227).
- (d) Included in long term debt above are amounts required to finance new facilities at Hastings Manor and Centennial Manor amounting to \$4,157,777 (2021 - \$6,460,883) and \$Nil (2021 - \$410,536) respectively. A portion of the net cost of this long term debt is recoverable from other municipalities and the Province of Ontario as follows:
- (i) The net cost of the debt related to Hastings Manor is sharable with the City of Belleville based on a proportionate share of residents days and with the City of Quinte West based on a proportionate share of weighted assessment.
 - (ii) The net cost of the debt related to Centennial Manor is sharable with the City of Belleville (Thurlow and Quinte annex) and the City of Quinte West based on a proportionate share of weighted assessment.
 - (iii) The Province of Ontario provides annual funding for both facilities at the rate of \$10.35 for each approved bed per day, for a period of twenty years from the completion of the projects. The annual contribution from the Province amounts to \$955,752 for Hastings Manor and \$231,683 for Centennial Manor.
- (e) The debentures payable by the County Housing Corporation at December 31, 2022 to the Canada Mortgage and Housing Corporation of \$827,810 (2021 - \$1,568,576) mature between January 1, 2023 and January 1, 2026 and are secured by land and buildings. These debentures were not assumed by or assigned to the Hastings Local Housing Corporation when the Social Housing devolution occurred on January 1, 2001 and are not recorded in these financial statements.
- (f) The long term debt reported in (a) of this note is repayable as follows based on the current repayment terms:

	Principal \$	Interest \$	Total \$
2023	5,476,399	434,716	5,911,115
2024	1,373,953	360,055	1,734,008
2025	1,098,930	332,471	1,431,401
2026	1,070,757	307,291	1,378,048
2027	1,651,443	270,502	1,921,945
	10,671,482	1,705,035	12,376,517
2028 to 2032	3,394,421	1,043,254	4,437,675
2033 and subsequent years	5,796,538	681,268	6,477,806
	19,862,441	3,429,557	23,291,998

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

6. EMPLOYEE FUTURE AMOUNTS PAYABLE

Certain employee benefits payable are shareable with the City of Belleville and the City of Quinte West. The portion recoverable from the above municipal partners at December 31, 2021 which is included in the long term receivables.

Actuarial estimates of the future liabilities have been completed and form the basis for the estimated liabilities reported in these consolidated financial statements.

Employee future amounts payable includes the following:

	2022	2021
	\$	\$
Post employment benefits	2,821,106	2,678,422
Future payments for WSIB costs	7,195,264	6,031,945
Unfunded employee future benefits	10,016,370	8,710,367
Vacation pay	3,280,640	3,199,587
Accumulated sick leave benefit plan	143	143
Severance payouts	184,986	184,986
Other amounts payable	3,465,769	3,384,716
	13,482,139	12,095,083

The actuarial valuation for post-employment benefits as at December 31, 2021 was based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Expected inflation rate	1.75%
Future health care cost rates - 2022	Escalate at 0%
Future health care cost rates - 2023	5.42%
Future health care cost rates - 2024 - 2028	Decreasing 0.333% per year
Future health care cost rates - 2029 thereafter	3.75%
Future dental cost rates	3.75%
Future salary escalation	2.75%
Future cost of long term debt (discount rate)	4%

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

6. EMPLOYEE FUTURE AMOUNTS PAYABLE, continued

The County sponsors benefit plans to pay costs of certain health and other insurance benefits for eligible employees after they retire.

The continuity of the liability for post-employment benefits is as follows:

	2022	2021
	\$	\$
Accrued benefit obligation at January 1	4,146,578	3,573,884
Unamortized actuarial losses	(1,468,156)	(1,045,446)
Liability at January 1	2,678,422	2,528,438
Current year benefit cost	152,158	155,169
Interest	162,071	140,585
Amortization of actuarial loss	170,237	127,884
Less: benefit payments	(341,782)	(273,654)
Liability at December 31	2,821,106	2,678,422

The actuarial valuation for future payments for WSIB costs as at December 31, 2021 was based on a number of assumptions about future events, such as inflation rates, interest rates, expected future WSIB payments per lost time injury, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Discount rate	3.00%
Loss of earnings benefits	137%
Expected inflation rate	2.5%
WSIB administration fee	23%
Loss time injury count	38
Mean term of future payments	9 years

The continuity of the liability for future payments for WSIB costs is as follows:

	2022	2021
	\$	\$
Accrued benefit obligation at January 1	10,354,213	6,954,530
Unamortized actuarial losses	(4,322,268)	(1,631,971)
Liability at January 1	6,031,945	5,322,559
Current year benefit cost	1,837,279	1,116,008
Interest	394,753	266,467
Amortization of actuarial loss	423,484	140,418
Less: benefit payments	(1,492,197)	(813,507)
Liability at December 31	7,195,264	6,031,945

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

7. TANGIBLE CAPITAL ASSETS

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

	2022	2021
	\$	\$
General		
Land and land improvements	12,098,484	11,471,494
Buildings	69,449,624	71,690,312
Machinery and equipment	10,951,815	9,163,576
Vehicles	936,971	1,494,140
Infrastructure		
Roads and bridges	1,247,776	1,367,699
	94,684,670	95,187,221
Assets under construction	2,792,902	2,465,787
	97,477,572	97,653,008

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

During the year there were no write-downs of assets (2021 - \$Nil) and no interest capitalized (2021 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2022	2021
	\$	\$
General government	10,725,736	10,404,331
Transportation services	1,512,721	1,646,773
Health services	2,612,964	2,971,802
Social and family services	32,041,377	32,731,616
Social housing	50,519,926	49,833,638
Planning and development	64,848	64,848
	97,477,572	97,653,008

8. CREDIT FACILITY AGREEMENT

The County has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$5,000,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate less 0.75% per annum. At December 31, 2022 there was no balance outstanding (2021 - \$Nil).

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

9. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Surplus/(Deficit)		
Hastings Local Housing Corporation	141,955	141,955
Unfunded employee future benefits	(10,016,370)	(8,710,367)
	(9,874,415)	(8,568,412)
Invested In Capital Assets		
Tangible capital assets - net book value	97,477,572	97,653,008
Long term debt	(19,862,441)	(24,188,490)
Unfunded capital - Hastings Manor (b)	(39,700)	(91,536)
Unfunded capital - Hastings Manor (c)	(739,495)	(29,399)
Unfunded capital - Centennial Manor	-	(402,275)
	76,835,936	72,941,308
Surplus	66,961,521	64,372,896
Reserves		
Working funds	3,439,277	3,439,279
General purposes	4,432,373	4,369,321
County highways	667,070	628,295
Social services	2,301,035	2,217,043
Ambulance capital	1,296,155	697,926
Hastings and Centennial Manor	2,446,053	1,423,650
Doctor recruitment	630,902	630,902
Social housing	5,857,284	5,959,912
WSIB	2,707,889	2,707,889
Desktop computer replacement	658,915	605,641
Economic development	156,437	296,394
Official plan	320,880	305,880
EMS cross border services	962,320	962,320
Provincial Offences	40,000	30,000
Total Reserves	25,916,590	24,274,452
	92,878,111	88,647,348

(b) The 2013 Hastings Manor unfunded capital amount was financed through an interfund loan from general government at prime plus 1.25% and is repayable over a 10 years period until 2023 through an annual charge to Hastings Manor operations.

(c) This amount will be financed with debt when the projects are complete.

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

10. BUDGET FIGURES

The budget, approved by the County, for 2022 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.

11. PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 2022 Annual Report disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with actuarial assets of \$123,628 million indicating an actuarial deficit of \$6,678 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 County does not recognize any share of the OMERS pension surplus or deficit.

The County's required contributions to OMERS in 2022 were \$3,569,997 (2021 - \$3,696,157).

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 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
Salaries and benefits	66,459,935	71,156,100	69,399,014
Interest charges	459,984	588,387	760,227
Materials	21,561,372	18,526,756	17,090,852
Contracted services	22,269,520	27,104,803	22,543,142
Rents and financial	1,513,809	1,475,842	1,584,486
External transfers	38,087,085	34,426,466	32,256,917
Amortization	5,663,101	5,728,111	5,663,101
Loss (gain) on disposal of tangible capital assets	-	182,710	(88,578)
	156,014,806	159,189,175	149,209,161

13. CONTINGENT LIABILITIES

The County, 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.

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

14. PROVINCIAL OFFENCES OFFICES

As a result of the provincial-municipal restructuring under Bill 108, streamlining of administration of Provincial Offences Act (“POA”) 1997, the County has assumed responsibility and administration of the POA office and courts.

Revenues from the POA office consists of fines levied under Part I and III (including delay penalties) for POA charges filed at 253 Pinnacle Street in Belleville. Offenders may pay their fines at any court office in Ontario, at which time, their receipt is recorded in the Integrated Courts Operations Network system (“ICON”) operated by the Province of Ontario. The County of Hastings recognizes fine revenue when the receipt of funds is recorded by ICON and matched to the offence notice, regardless of the location where payment is made.

Revenues and expenses related to these operations have been reported as follows:

	2022	2021
	\$	\$
Fines	1,519,204	1,518,273
Safe Restart funding	-	78,477
Other revenue	31,960	19,766
Operating costs	(1,147,295)	(1,251,672)
Amounts transferred to City of Belleville	(112,771)	(84,828)
Amounts transferred to City of Quinte West	(139,326)	(149,836)
Net County revenue	151,772	130,180

15. SOCIAL HOUSING

The County of Hastings Housing Corporation was incorporated under Part III of The Ontario Business Corporations Act in response to the Province’s overall initiative to devolve Social Housing to local municipalities. The Corporation currently provides 1,433 units of subsidized housing to its tenants and their families.

As the Service Manager, on behalf of the Cities of Belleville and Quinte West and the County of Hastings, the County is now the sole shareholder of the Corporation.

On January 1, 2001 the Ontario Housing Corporation transferred 1,115 units and certain head office assets to the Corporation. The properties transferred carried the following restriction:

“The properties cannot be transferred or mortgaged or otherwise encumbered, developed or redeveloped or disposed of by any person without prior consent of the Minister of Municipal Affairs and Housing.”

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

16. COMMITMENTS

(a) The County has entered into lease agreements and service contracts for various office accommodations and equipment. Future lease payments for the next five years are as follows:

2023	\$518,582
2024	480,079
2025	396,635
2026	337,818
2027	286,531

(b) The County has agreed to assist the University Hospitals Kingston Foundation. The total commitment was for \$645,000. The remaining commitment at December 31, 2022 is \$340,000 payable equally over the next 4 years.

(c) The County has agreed to assist the Belleville General Hospital Foundation. The total commitment was for \$500,000. The remaining commitment at December 31, 2022 is \$256,000 payable equally over the next 4 years.

17. SEGMENTED INFORMATION

The County of Hastings is a municipal government organization that provides a range of services to its residents. County 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 is allocated based on each segment's net requirements. Internal transfers include rent charges which are allocated based on the segment's square footage usage of the County's buildings and computer replacement costs that are allocated based on the segment's proportionate share of the total number of devices. Allocated administration includes the following: 1) Governance costs that are allocated based on the segment's proportionate share of the total number of committees; 2) Corporate management wages and benefits that are allocated based on the estimated percentage of time each employee spends working for each segment and other costs that are allocated based on the average percentage of corporate management wages and benefits allocated to each department; 3) Human resources wages and benefits that are allocated based on the segment's proportionate share as determined by head count; and 4) Information technologies wages and benefits that are allocated based on the segment's proportionate share of the total number of devices.

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 County and its programs and services.

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

17. SEGMENTED INFORMATION, continued

Protection Services

Protection services include emergency measures and provincial offences operations for the County of Hastings and the Cities of Belleville and Quinte West.

Transportation Services

The activities of the transportation function include construction and maintenance of the County's roads and bridges and transfer of the Canada Community-Building Fund funding to the lower tier municipalities.

Health Services

The health services function consists of Land Ambulance services for the Counties of Hastings and Prince Edward and the Cities of Belleville and Quinte West and contributions to the Doctor Recruitment Program, Health Care facilities and to the local Health Unit.

Social and Family Services

Social and family services consist of general assistance, homes for the aged and child care services to inhabitants of the County of Hastings and the Cities of Belleville and Quinte West.

Social Housing

Social housing services provides affordable housing to qualified inhabitants of the County of Hastings and the Cities of Belleville and Quinte West.

Planning and Development

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

18. TRUST FUNDS

Trust funds administered by the County amounting to \$221,848 (2021 - \$249,791) 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 County for the benefit of others, they are not presented as part of the County's financial position or operations.

CORPORATION OF THE COUNTY OF HASTINGS

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2022

	General				Infrastructure	Assets Under Construction	Totals
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges		
	\$	\$	\$	\$	\$	\$	\$
COST							
Balance, beginning of year	13,532,933	128,947,281	17,707,609	3,850,807	3,733,993	2,465,787	170,238,410
Add: additions during the year	780,463	820,319	1,619,533	133,785	-	2,420,886	5,774,986
Less: disposals during the year	-	44,742	1,085,269	457,139	-	-	1,587,150
Internal transfers	17,532	576,328	1,499,911	-	-	(2,093,771)	-
Balance, end of year	14,330,928	130,299,186	19,741,784	3,527,453	3,733,993	2,792,902	174,426,246
ACCUMULATED AMORTIZATION							
Balance, beginning of year	2,061,439	57,256,969	8,544,033	2,356,667	2,366,294	-	72,585,402
Add: additions during the year	171,005	3,637,335	1,108,894	690,954	119,923	-	5,728,111
Less: disposals during the year	-	44,742	862,958	457,139	-	-	1,364,839
Balance, end of year	2,232,444	60,849,562	8,789,969	2,590,482	2,486,217	-	76,948,674
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	12,098,484	69,449,624	10,951,815	936,971	1,247,776	2,792,902	97,477,572

CORPORATION OF THE COUNTY OF HASTINGS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2022

	General Government \$	Protection Services \$	Transportation Services \$	Health Services \$	Social and Family Services \$	Social Housing \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	3,600,896	(123,464)	6,956	4,256,352	3,572,302	4,127,496	1,516,750	16,957,288
User charges	173,355	9,332	105,965	47,640	9,021,154	7,224,599	179,978	16,762,023
Government transfers - operating	672,396	-	-	12,038,117	77,393,077	5,099,000	-	95,202,590
Government transfers - capital	-	-	-	-	-	778,163	-	778,163
Other municipalities	343,290	145,220	-	9,995,175	8,536,076	10,573,682	-	29,593,443
Provincial Offenses Act - fines	-	1,519,204	-	-	-	-	-	1,519,204
Investment income	306,846	15,500	-	-	523,436	51,474	-	897,256
Canada Community-Building Fund earned	-	-	1,202,164	-	-	-	-	1,202,164
Other	-	-	-	-	507,807	-	-	507,807
Total revenues	5,096,783	1,565,792	1,315,085	26,337,284	99,553,852	27,854,414	1,696,728	163,419,938
Expenses								
Salaries and benefits	6,951,582	645,902	-	19,175,373	38,877,893	4,530,595	974,755	71,156,100
Interest charges	116,568	-	-	5,298	174,329	292,192	-	588,387
Materials	1,906,583	39,732	2,505	3,225,123	5,518,684	7,628,387	205,742	18,526,756
Contracted services	1,352,095	321,389	105,579	1,523,570	19,889,074	3,839,610	73,486	27,104,803
Rents and financial	63,038	30,332	-	321,883	234,739	820,757	5,093	1,475,842
External transfers	-	252,097	1,202,164	558,000	25,721,521	6,650,015	42,669	34,426,466
Amortization	650,675	-	134,052	982,703	1,617,218	2,343,463	-	5,728,111
Loss (gain) on disposal of tangible capital assets	-	-	-	(39,601)	222,311	-	-	182,710
Internal transfers	(1,107,044)	144,479	-	20,100	802,934	139,531	-	-
Allocated administration	(4,548,200)	157,000	-	557,200	2,850,500	782,200	201,300	-
Total expenses	5,385,297	1,590,931	1,444,300	26,329,649	95,909,203	27,026,750	1,503,045	159,189,175
Net surplus/(deficit)	(288,514)	(25,139)	(129,215)	7,635	3,644,649	827,664	193,683	4,230,763

CORPORATION OF THE COUNTY OF HASTINGS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2021

	General Government \$	Protection Services \$	Transportation Services \$	Health Services \$	Social and Family Services \$	Social Housing \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	3,487,479	(152,307)	(3,044)	4,147,737	4,694,221	2,612,071	1,497,750	16,283,907
User charges	150,779	7,995	90,745	56,077	9,319,839	6,558,064	143,070	16,326,569
Government transfers - operating	238,172	78,477	-	11,952,290	68,493,862	6,812,850	-	87,575,651
Government transfers - capital	-	-	-	-	-	9,395	-	9,395
Other municipalities	480,524	144,773	-	9,757,301	8,542,106	9,500,288	-	28,424,992
Provincial Offences Act - fines	-	1,518,273	-	-	-	-	-	1,518,273
Investment income	121,504	4,992	-	-	149,613	40,514	-	316,623
Canada Community-Building Fund earned	-	-	2,410,369	-	-	-	-	2,410,369
Other	200,000	-	-	-	305,309	-	5,688	510,997
Total revenues	4,678,458	1,602,203	2,498,070	25,913,405	91,504,950	25,533,182	1,646,508	153,376,776
Expenses								
Salaries and benefits	6,452,190	663,778	-	19,048,514	37,726,003	4,492,081	1,016,448	69,399,014
Interest charges	122,092	-	-	7,539	320,848	309,748	-	760,227
Materials	1,716,721	62,477	2,388	3,247,723	5,189,616	6,729,927	142,000	17,090,852
Contracted services	1,249,214	381,124	78,963	1,475,090	15,982,554	3,363,062	13,135	22,543,142
Rents and financial	74,401	40,017	-	325,495	228,740	910,012	5,821	1,584,486
External transfers	-	234,664	2,410,369	-	22,281,345	7,257,039	73,500	32,256,917
Amortization	643,395	-	129,508	1,035,544	1,558,672	2,295,982	-	5,663,101
Loss (gain) on disposal of tangible capital assets	-	-	-	(70,754)	(17,735)	(89)	-	(88,578)
Internal transfers	(1,060,873)	143,979	-	15,400	758,982	142,512	-	-
Allocated administration	(4,377,600)	151,700	-	512,700	2,747,100	771,700	194,400	-
Total expenses	4,819,540	1,677,739	2,621,228	25,597,251	86,776,125	26,271,974	1,445,304	149,209,161
Net surplus/(deficit)	(141,082)	(75,536)	(123,158)	316,154	4,728,825	(738,792)	201,204	4,167,615

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Hastings

Qualified Opinion

We have audited the financial statements of the Trust Funds of the Corporation of the County of Hastings (the Trust Funds), which comprise the statement of financial position as at December 31, 2022, 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, 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 Trust Funds as at December 31, 2022, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many municipal trust funds, the completeness of the revenue derived from residents and donations are not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Trust Funds and we were not able to determine whether any adjustments might be necessary to resident receipts, donations, assets and fund balances at the end of the year.

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 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 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
June 29, 2023

CORPORATION OF THE COUNTY OF HASTINGS

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2022

	Benevolent Trust \$	Centennial Manor \$	Hastings Manor \$	2022 Total \$	2021 Total \$
FINANCIAL ASSETS					
Cash	441	95,218	77,751	173,410	203,827
Investment (note 3)	43,469	-	-	43,469	43,266
Accrued interest	495	-	-	495	92
Due from Hastings Manor	-	-	-	-	67
Due from Centennial Manor	-	4,474	-	4,474	2,539
	44,405	99,692	77,751	221,848	249,791
FUND BALANCES	44,405	99,692	77,751	221,848	249,791

TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2022

	Benevolent Trust \$	Centennial Manor \$	Hastings Manor \$	2022 Total \$	2021 Total \$
BALANCES - beginning of year	43,799	101,489	104,503	249,791	242,149
RECEIPTS					
Interest earned	606	-	-	606	234
Received from residents	-	50,589	89,486	140,075	152,057
Donations	-	3,095	17,825	20,920	30,999
	606	53,684	107,311	161,601	183,290
EXPENSES					
Personal needs	-	52,715	101,728	154,443	170,904
Refunds to residents	-	2,766	2,551	5,317	4,744
Donations	-	-	29,784	29,784	-
	-	55,481	134,063	189,544	175,648
BALANCES - end of year	44,405	99,692	77,751	221,848	249,791

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF HASTINGS

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

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 County's best information and judgment. Actual results could differ from these estimates.

2. PURPOSE OF TRUSTS

Benevolent Trust - On November 25, 1987, the Corporation of the County of Hastings (through Hastings Centennial Manor) was bequeathed with funds from the estate of Robert Clark. Interest on the funds are to be used to purchase items for the enjoyment of the residents, not covered by the Home's normal operating budget.

Centennial Manor and Hastings Manor - These funds are for these Homes for the Aged, Long Term Care residents and represent their personal funds that are to be used exclusively for the residents' personal items.

3. INVESTMENT

This investment is stated at cost which approximates market value and consists of a term deposit which earns interest at the rate of 3.15% (2021 - 0.4%) and matures on October 21, 2023.