

**CORPORATION OF THE COUNTY OF HASTINGS**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**CORPORATION OF THE COUNTY OF HASTINGS**

**CONSOLIDATED FINANCIAL STATEMENTS**

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*"WORKING AND GROWING TOGETHER"*

*www.hastingscounty.com*

**CORPORATION OF THE COUNTY OF HASTINGS**

**For The Year Ended December 31, 2021**

**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 30, 2022

## **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, 2021, 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, 2021, 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.

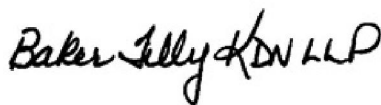
### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

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.



Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
July 18, 2022



# CORPORATION OF THE COUNTY OF HASTINGS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2021

	2021	2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	28,900,337	34,296,037
Investments (note 4)	2,593,078	2,552,563
Trade and other receivables	11,960,032	7,898,920
Long term receivables (note 7)	2,557,088	2,321,897
<b>TOTAL FINANCIAL ASSETS</b>	<b>46,010,535</b>	<b>47,069,417</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	17,470,482	19,320,551
Deferred revenue - obligatory reserve funds (note 5)	332,668	274,116
Deferred revenue - other	1,328,386	2,619,264
Long term debt (note 6)	24,188,490	28,885,282
Employee future amounts payable (note 7)	12,095,083	10,860,915
<b>TOTAL LIABILITIES</b>	<b>55,415,109</b>	<b>61,960,128</b>
<b>NET DEBT</b>	<b>(9,404,574)</b>	<b>(14,890,711)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 8)	97,653,008	99,083,979
Prepaid expenses	398,914	286,465
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>98,051,922</b>	<b>99,370,444</b>
<b>ACCUMULATED SURPLUS (note 10)</b>	<b>88,647,348</b>	<b>84,479,733</b>

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>REVENUES</b>			
Property taxation	16,268,626	16,283,907	15,754,158
User charges	15,493,081	16,326,569	15,902,933
Government of Canada	2,591,981	2,140,346	2,454,966
Province of Ontario	95,019,121	85,444,700	78,971,770
Other municipalities	28,328,152	28,424,992	27,158,563
Provincial Offenses Act - fines (note 15)	1,150,000	1,518,273	1,145,090
Investment income	257,000	316,623	285,103
Federal gas tax earned	1,260,108	2,410,369	1,202,164
Gain/(loss) on disposal of tangible capital assets	-	88,578	(139,133)
Other	125,944	510,997	20,549
<b>TOTAL REVENUES</b>	<b>160,494,013</b>	<b>153,465,354</b>	<b>142,756,163</b>
<b>EXPENSES</b>			
General government	4,274,642	4,819,540	5,057,766
Protection services	1,597,001	1,677,739	1,558,290
Transportation services	1,396,159	2,621,228	1,402,504
Health services	25,453,979	25,668,005	23,599,417
Social and family services	94,623,529	86,793,860	82,304,823
Social housing	29,959,492	26,272,063	23,866,946
Planning and development	1,662,775	1,445,304	1,431,945
<b>TOTAL EXPENSES</b>	<b>158,967,577</b>	<b>149,297,739</b>	<b>139,221,691</b>
<b>ANNUAL SURPLUS</b>	<b><u>1,526,436</u></b>	<b>4,167,615</b>	<b>3,534,472</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>84,479,733</b>	<b>80,945,261</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>88,647,348</b>	<b>84,479,733</b>

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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>ANNUAL SURPLUS</b>	1,526,436	4,167,615	3,534,472
Amortization of tangible capital assets	5,414,112	5,663,101	5,414,112
Purchase of tangible capital assets	(8,435,394)	(4,232,329)	(5,274,567)
Loss/(gain) on disposal of tangible capital assets	-	(88,577)	139,133
Proceeds on sale of tangible capital assets	-	88,776	189,777
Change in prepaid expenses	-	(112,449)	51,835
<b>CHANGE IN NET DEBT</b>	(1,494,846)	5,486,137	4,054,762
<b>NET DEBT - beginning of year</b>	(14,890,711)	(14,890,711)	(18,945,473)
<b>NET DEBT - end of year</b>	(16,385,557)	(9,404,574)	(14,890,711)

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, 2021

	2021	2020
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	4,167,615	3,534,472
Items not involving cash		
Amortization of tangible capital assets	5,663,101	5,414,112
Loss/(gain) on disposal of tangible capital assets	(88,577)	139,133
Change in employee future amounts payable	1,234,168	907,774
Change in non-cash assets and liabilities		
Trade and other receivables	(4,061,112)	283,807
Long term receivables	(235,191)	(59,467)
Prepaid expenses	(112,449)	51,835
Accounts payable and accrued liabilities	(1,850,069)	7,001,692
Deferred revenue - obligatory reserve funds	58,552	3,329
Deferred revenue - other	(1,290,878)	2,300,564
<b>Net change in cash from operating activities</b>	<b>3,485,160</b>	<b>19,577,251</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(4,232,329)	(5,274,567)
Proceeds on disposal of tangible capital assets	88,776	189,777
<b>Net change in cash from capital activities</b>	<b>(4,143,553)</b>	<b>(5,084,790)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(40,515)	(38,880)
Disposal of investments	-	44,610
<b>Net change in cash from investing activities</b>	<b>(40,515)</b>	<b>5,730</b>
<b>FINANCING ACTIVITIES</b>		
Long term debt issued	-	9,413,400
Debt principal repayments	(4,696,792)	(4,289,924)
<b>Net change in cash from financing activities</b>	<b>(4,696,792)</b>	<b>5,123,476</b>
<b>NET CHANGE IN CASH</b>	<b>(5,395,700)</b>	<b>19,621,667</b>
<b>CASH - beginning of year</b>	<b>34,296,037</b>	<b>14,674,370</b>
<b>CASH - end of year</b>	<b>28,900,337</b>	<b>34,296,037</b>

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, 2021

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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 15).

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

Investment income is recorded when earned.

Federal gas tax 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, 2021

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### 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.

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# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2021

### 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. UNCERTAINTY CAUSED BY COVID-19

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

### 3. COMPARATIVE FIGURES

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

### 4. INVESTMENTS

Investments are recorded at cost and are comprised of:

	2021	2020
	\$	\$
<b>WorldSource Financial Management Inc.</b>		
Short term bond Fund	2,593,078	2,552,563

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

	2021	2020
	\$	\$
Federal gas tax	332,668	274,116

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

	2021	2020
	\$	\$
Balance - beginning of year	274,116	270,787
Add amounts received:		
Federal gas tax	2,465,013	1,202,164
Interest	3,908	3,329
	2,468,921	1,205,493
Less transfer to operations:		
Federal gas tax earned	2,410,369	1,202,164
Balance - end of year	332,668	274,116

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 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:

	2021 \$	2020 \$
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.	221,957	269,111
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	924,433
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	342,576
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	54,817
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.	1,038,202	1,594,757
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.	1,053,067	1,616,815
Long term debt issued for Hastings Manor matures September 31, 2023. It is repayable in blended monthly instalments of \$65,835 with interest at the rate of 4.64% per annum.	1,325,440	2,035,979
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.	417,665	643,114
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.	707,967	814,853
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.	2,183,411	2,508,269

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 6. 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.	6,830,594	7,115,506
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.	619,885	818,121
Long term debt issued by the Hastings Local Housing Corporation to the Scotiabank matures April 1, 2022 and is secured by the land and building at 24 Brown Street, Belleville, Ontario. It is repayable in blended monthly instalments of \$15,134 with interest at the rate of 2.04% per annum.	1,542,880	1,691,511
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.	1,496,280	1,739,041
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.	3,377,089	3,498,842
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.	336,706	444,441
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.	594,523	632,734
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.	350,929	387,362
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.	1,681,358	1,753,000
	<b>24,188,490</b>	<b>28,885,282</b>

- (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, 2021

### 6. LONG TERM DEBT, continued

- (c) Interest paid during the year on long term debt amounted to \$760,227 (2020 - \$911,998).
- (d) Included in long term debt above are amounts required to finance new facilities at Hastings Manor and Centennial Manor amounting to \$6,460,883 (2020 - \$8,663,761) and \$410,536 (2020 - \$1,321,826) 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 \$415,548 for Centennial Manor.
- (e) The debentures payable by the County Housing Corporation at December 31, 2020 to the Canada Mortgage and Housing Corporation of \$1,568,576 (2020 - \$2,308,518) mature between January 1, 2021 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 \$
2022	5,720,283	585,079	6,305,362
2023	5,325,356	398,478	5,723,834
2024	1,218,728	327,997	1,546,725
2025	939,407	304,711	1,244,118
2026	902,264	283,835	1,186,099
	14,106,038	1,900,100	16,006,138
2027 to 2031	3,588,931	1,134,728	4,723,659
2032 and subsequent years	6,493,521	853,517	7,347,038
	24,188,490	3,888,345	28,076,835



# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 7. 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 receivable amount of \$2,557,087, is \$2,030,514 (2020 - \$1,795,323).

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:

	2021	2020
	\$	\$
Post employment benefits	2,678,422	2,528,438
Future payments for WSIB costs	6,031,945	5,322,559
<b>Unfunded employee future benefits</b>	<b>8,710,367</b>	<b>7,850,997</b>
Vacation pay	3,199,587	2,824,789
Accumulated sick leave benefit plan	143	143
Severance payouts	184,986	184,986
<b>Other amounts payable</b>	<b>3,384,716</b>	<b>3,009,918</b>
	<b>12,095,083</b>	<b>10,860,915</b>

The actuarial valuation for post-employment benefits as at December 31, 2019 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 - 2019	Escalate at 0%
Future health care cost rates - 2020	6.4167%
Future health care cost rates - 2021 - 2028	Decreasing 0.333% per year
Future health care cost rates - 2029 thereafter	3.75%
Future dental cost rates	3.75%
Future interest rate	4%

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 7. 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:

	2021	2020
	\$	\$
Accrued benefit obligation at January 1	3,573,884	3,602,761
Unamortized actuarial losses	(1,045,446)	(1,173,330)
Liability at January 1	2,528,438	2,429,431
Current year benefit cost	155,169	146,275
Interest	140,585	140,719
Amortization of actuarial loss	127,884	127,884
Less: benefit payments	(273,654)	(315,871)
Liability at December 31	2,678,422	2,528,438

The actuarial valuation for future payments for WSIB costs as at December 31, 2019 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	3.75%
Loss of earnings benefits	84%
Expected inflation rate	2%
WSIB administration fee	32%
Loss time injury count	34
Mean term of future payments	9 years

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

	2021	2020
	\$	\$
Accrued benefit obligation at January 1	6,954,530	6,390,060
Unamortized actuarial losses	(1,631,971)	(1,772,389)
Liability at January 1	5,322,559	4,617,671
Current year benefit cost	1,116,008	1,086,834
Interest	266,467	245,606
Amortization of actuarial loss	140,418	140,418
Less: benefit payments	(813,507)	(767,970)
Liability at December 31	6,031,945	5,322,559

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 8. TANGIBLE CAPITAL ASSETS

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

	2021	2020
	\$	\$
General		
Land and land improvements	11,471,494	11,098,704
Buildings	71,690,312	74,468,302
Machinery and equipment	9,163,576	9,616,149
Vehicles	1,494,140	1,415,614
Infrastructure		
Roads and bridges	1,367,699	1,383,935
	95,187,221	97,982,704
Assets under construction	2,465,787	1,101,275
	97,653,008	99,083,979

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

During the year there were no write-downs of assets (2020 - \$Nil) and no interest capitalized (2020 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2021	2020
	\$	\$
General government	10,404,331	10,814,780
Transportation services	1,646,773	1,677,140
Health services	2,971,802	3,045,806
Social and family services	32,731,616	32,794,063
Social housing	49,833,638	50,687,342
Planning and development	64,848	64,848
	97,653,008	99,083,979

### 9. 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, 2021 there was no balance outstanding (2020 - \$Nil).

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 10. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2021	2020
	\$	\$
<b>Surplus/(Deficit)</b>		
Hastings Local Housing Corporation	141,955	141,955
Unfunded employee future benefits	(8,710,367)	(7,850,997)
	(8,568,412)	(7,709,042)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	97,653,008	99,083,979
Long term debt	(24,188,490)	(28,885,282)
Unfunded capital - Hastings Manor (b)	(91,536)	(142,098)
Unfunded capital - Hastings Manor (c)	(29,399)	-
Unfunded capital - Centennial Manor (d)	(402,275)	(402,275)
	72,941,308	69,654,324
<b>Surplus</b>	64,372,896	61,945,282
<b>Reserves</b>		
Working funds	3,439,279	3,149,947
General purposes	4,369,321	3,740,267
County highways	628,295	662,444
Social services	2,217,043	1,821,300
Ambulance capital	697,926	348,846
Hastings and Centennial Manor	1,423,650	1,537,037
Doctor recruitment	630,902	630,902
Social housing	5,959,912	5,787,757
WSIB	2,707,889	2,724,070
Desktop computer replacement	605,641	462,912
Economic development	296,394	189,394
Official plan	305,880	240,880
EMS cross border services	962,320	1,218,695
Provincial Offences	30,000	20,000
<b>Total Reserves</b>	24,274,452	22,534,451
	88,647,348	84,479,733

(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.

(d) This amount will be funded through an annual charge to operations starting in 2022 after the Manor's debt is paid off.

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### 11. BUDGET FIGURES

The budget, approved by the County, for 2021 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.

### 12. 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 2021 Annual Report disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets of \$117,665 million indicating an actuarial deficit of \$3,131 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 2021 were \$3,696,157 (2020 - \$3,681,524).

### 13. EXPENSES BY OBJECT

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

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
Salaries and benefits	64,771,294	69,399,014	64,510,365
Interest charges	585,215	760,227	911,998
Materials	21,547,634	17,090,852	15,206,570
Contracted services	23,224,540	22,543,142	19,821,549
Rents and financial	1,641,656	1,584,486	1,652,310
External transfers	41,783,126	32,256,917	31,704,787
Amortization	5,414,112	5,663,101	5,414,112
	158,967,577	149,297,739	139,221,691

### 14. 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, 2021

### 15. 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:

	2021	2020
	\$	\$
Fines	1,518,273	1,145,090
Safe Restart funding	78,477	334,000
Other revenue	19,766	20,956
Operating costs	(1,251,672)	(1,066,859)
Amounts transferred to City of Belleville	(84,828)	(128,977)
Amounts transferred to City of Quinte West	(149,836)	(183,975)
<b>Net County revenue</b>	<b>130,180</b>	<b>120,235</b>

### 16. 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, 2021

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### 17. 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:

2022	\$442,353
2023	442,027
2024	411,696
2025	328,253
2026	328,253

(b) The County of Hastings has developed a Doctor Recruitment Program. The Program provides education funding to medical students over a 4 to 6 year period. The students enter into an agreement for the funding in exchange for a minimum 5 year commitment to provide medical services within the County of Hastings.

Future payments for the program are as follows:

2022	\$177,000
2023	40,000

(c) The County has agreed to assist the University Hospitals Kingston Foundation. The total commitment is for \$645,000 payable equally over a five year period commencing in 2022. The remaining commitment at December 31, 2021 is \$645,000.

(d) The County has agreed to assist the Belleville General Hospital Foundation. The total commitment is for \$500,000 payable equally over a five year period commencing in 2022. The remaining commitment at December 31, 2021 is \$500,000.

### 18. 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.

# CORPORATION OF THE COUNTY OF HASTINGS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### 18. SEGMENTED INFORMATION, continued

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.

#### **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 federal gas tax 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.

### 19. TRUST FUNDS

Trust funds administered by the County amounting to \$249,791 (2020 - \$242,149) 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, 2021

	General				Infrastructure	Assets Under Construction	Totals
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges		
	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>							
Balance, beginning of year	13,034,560	128,121,241	17,310,015	3,697,423	3,735,218	1,101,275	166,999,732
Add: additions during the year	515,658	395,424	460,913	797,164	99,141	1,964,029	4,232,329
Less: disposals during the year	21,396	11,914	216,195	643,780	100,366	-	993,651
Internal transfers	4,111	442,530	152,876	-	-	(599,517)	-
Balance, end of year	13,532,933	128,947,281	17,707,609	3,850,807	3,733,993	2,465,787	170,238,410
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	1,935,856	53,652,939	7,693,866	2,281,809	2,351,283	-	67,915,753
Add: additions during the year	146,979	3,615,745	1,066,362	718,638	115,377	-	5,663,101
Less: disposals during the year	21,396	11,715	216,195	643,780	100,366	-	993,452
Balance, end of year	2,061,439	57,256,969	8,544,033	2,356,667	2,366,294	-	72,585,402
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	11,471,494	71,690,312	9,163,576	1,494,140	1,367,699	2,465,787	97,653,008

# 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 \$
<b>Revenues</b>								
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 Offenses Act - fines	-	1,518,273	-	-	-	-	-	1,518,273
Investment income	121,504	4,992	-	-	149,613	40,514	-	316,623
Federal gas tax earned	-	-	2,410,369	-	-	-	-	2,410,369
Gain/(loss) on disposal of tangible capital assets	-	-	-	70,754	17,735	89	-	88,578
Other	200,000	-	-	-	305,309	-	5,688	510,997
<b>Total revenues</b>	<b>4,678,458</b>	<b>1,602,203</b>	<b>2,498,070</b>	<b>25,984,159</b>	<b>91,522,685</b>	<b>25,533,271</b>	<b>1,646,508</b>	<b>153,465,354</b>
<b>Expenses</b>								
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
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	-
<b>Total expenses</b>	<b>4,819,540</b>	<b>1,677,739</b>	<b>2,621,228</b>	<b>25,668,005</b>	<b>86,793,860</b>	<b>26,272,063</b>	<b>1,445,304</b>	<b>149,297,739</b>
<b>Net surplus/(deficit)</b>	<b>(141,082)</b>	<b>(75,536)</b>	<b>(123,158)</b>	<b>316,154</b>	<b>4,728,825</b>	<b>(738,792)</b>	<b>201,204</b>	<b>4,167,615</b>

# CORPORATION OF THE COUNTY OF HASTINGS

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

	General Government \$	Protection Services \$	Transportation Services \$	Health Services \$	Social and Family Services \$	Social Housing \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>								
Property taxation	3,453,830	(161,805)	58,900	4,042,827	3,235,846	3,650,200	1,474,360	15,754,158
User charges	146,860	8,287	93,731	323,257	8,563,557	6,651,555	115,686	15,902,933
Government transfers - operating	127,608	334,000	-	10,642,980	65,001,982	5,088,136	-	81,194,706
Government transfers - capital	-	-	-	-	-	232,030	-	232,030
Other municipalities	182,371	134,615	-	9,379,722	8,675,646	8,786,209	-	27,158,563
Provincial Offences Act - fines	-	1,145,090	-	-	-	-	-	1,145,090
Investment income	111,936	6,835	-	-	127,452	38,880	-	285,103
Federal gas tax earned	-	-	1,202,164	-	-	-	-	1,202,164
Gain/(loss) on disposal of tangible capital assets	-	-	-	173,244	(298,903)	(13,474)	-	(139,133)
Other	-	-	-	-	16,987	-	3,562	20,549
<b>Total revenues</b>	<b>4,022,605</b>	<b>1,467,022</b>	<b>1,354,795</b>	<b>24,562,030</b>	<b>85,322,567</b>	<b>24,433,536</b>	<b>1,593,608</b>	<b>142,756,163</b>
<b>Expenses</b>								
Salaries and benefits	5,951,499	622,674	-	17,615,256	35,034,879	4,264,011	1,022,046	64,510,365
Interest charges	127,441	-	-	9,318	428,936	346,303	-	911,998
Materials	1,519,471	26,996	2,163	2,600,204	4,555,812	6,333,315	168,609	15,206,570
Contracted services	1,430,021	278,430	69,082	1,417,315	13,540,398	3,082,146	4,157	19,821,549
Rents and financial	94,915	31,754	-	320,792	222,655	978,347	3,847	1,652,310
External transfers	509,753	312,952	1,202,164	200,000	23,676,576	5,762,342	41,000	31,704,787
Amortization	650,728	-	129,095	925,270	1,477,508	2,231,511	-	5,414,112
Internal transfers	(1,051,075)	143,842	-	13,563	754,473	139,197	-	-
Allocated administration	(4,174,987)	141,642	-	497,699	2,613,586	729,774	192,286	-
<b>Total expenses</b>	<b>5,057,766</b>	<b>1,558,290</b>	<b>1,402,504</b>	<b>23,599,417</b>	<b>82,304,823</b>	<b>23,866,946</b>	<b>1,431,945</b>	<b>139,221,691</b>
<b>Net surplus/(deficit)</b>	<b>(1,035,161)</b>	<b>(91,268)</b>	<b>(47,709)</b>	<b>962,613</b>	<b>3,017,744</b>	<b>566,590</b>	<b>161,663</b>	<b>3,534,472</b>

## **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, 2021, 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, 2021, 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 is 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, 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  
July 18, 2022

# CORPORATION OF THE COUNTY OF HASTINGS

## TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2021

	Benevolent Trust \$	Centennial Manor \$	Hastings Manor \$	2021 Total \$	2020 Total \$
<b>FINANCIAL ASSETS</b>					
Cash	441	98,950	104,436	203,827	195,500
Investment (note 3)	43,266	-	-	43,266	42,916
Accrued interest	92	-	-	92	209
Due from Hastings Manor	-	-	67	67	-
Due from Centennial Manor	-	2,539	-	2,539	2,011
	43,799	101,489	104,503	249,791	240,636
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to Hastings Manor	-	-	-	-	487
<b>FUND BALANCES</b>	43,799	101,489	104,503	249,791	242,149
	43,799	101,489	104,503	249,791	242,636

## TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2021

	Benevolent Trust \$	Centennial Manor \$	Hastings Manor \$	2021 Total \$	2020 Total \$
<b>BALANCES - beginning of year</b>	43,565	103,057	95,527	242,149	241,561
<b>RECEIPTS</b>					
Interest earned	234	-	-	234	524
Received from residents	-	44,775	107,282	152,057	138,582
Donations	-	20,566	10,433	30,999	15,720
	234	65,341	117,715	183,290	154,826
<b>EXPENSES</b>					
Personal needs	-	63,613	107,291	170,904	122,452
Refunds to residents	-	3,296	1,448	4,744	1,679
Donations	-	-	-	-	30,100
Other	-	-	-	-	7
	-	66,909	108,739	175,648	154,238
<b>BALANCES - end of year</b>	43,799	101,489	104,503	249,791	242,149

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, 2021

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### 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 0.4% (2020 - 0.7%) and matures on April 20, 2022.