

CORPORATION OF THE TOWNSHIP OF LIMERICK

FINANCIAL STATEMENTS

DECEMBER 31, 2021

CORPORATION OF THE TOWNSHIP OF LIMERICK

FINANCIAL STATEMENTS

DECEMBER 31, 2021

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CORPORATION OF THE TOWNSHIP OF LIMERICK

For The Year Ended December 31, 2021

MANAGEMENT REPORT

The accompanying financial statements of the Corporation of the Township of Limerick are the responsibility of management and have been approved by Council.

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

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

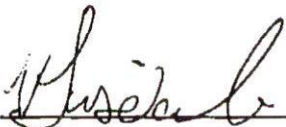
The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Limerick. 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 financial statements have been audited by Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Baker Tilly KDN LLP has full and free access to Council.



Mayor



Clerk-Treasurer

July 18, 2022

Victoria Tisdale, Clerk Treasurer
clerk@township.limerick.on.ca
Telephone: 613-474-2863
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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Limerick

Opinion

We have audited the financial statements of the Corporation of the Township of Limerick (the Township), which comprise the statement of financial position as at December 31, 2021, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the 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 Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 TOWNSHIP OF LIMERICK

STATEMENT OF FINANCIAL POSITION

At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	1,798,729	2,130,499
Taxes receivable	197,533	225,338
Accounts receivable	261,845	146,282
TOTAL FINANCIAL ASSETS	2,258,107	2,502,119
LIABILITIES		
Accounts payable and accrued liabilities	169,649	254,969
Deferred revenue - obligatory reserve funds (note 2)	31,651	10,182
Deferred revenue - other (note 3)	70,761	58,678
Long term debt (note 5)	-	6,456
Landfill closure and post-closure liability (note 6)	339,600	269,400
TOTAL LIABILITIES	611,661	599,685
NET FINANCIAL ASSETS	1,646,446	1,902,434
NON-FINANCIAL ASSETS		
Tangible capital assets (note 7)	5,480,888	5,648,220
Prepaid expenses	45,834	26,771
TOTAL NON-FINANCIAL ASSETS	5,526,722	5,674,991
ACCUMULATED SURPLUS (note 8)	7,173,168	7,577,425

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF LIMERICK

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
REVENUES			
Property taxation	1,181,000	1,194,875	1,183,981
User charges	165,600	109,727	66,718
Government of Canada	80,000	2,239	-
Province of Ontario	577,406	474,602	514,661
Other municipalities	40,000	40,000	86,812
Penalties and interest on taxes	33,000	32,635	31,340
Federal gas tax earned	32,496	21,099	20,993
Other	10,000	8,939	33,768
TOTAL REVENUES	2,119,502	1,884,116	1,938,273
EXPENSES			
General government	474,450	515,735	514,313
Protection services	396,463	324,174	313,891
Transportation services	1,328,528	1,222,043	1,250,420
Environmental services	139,069	116,018	73,735
Health services	1,500	2,183	900
Recreation and cultural services	40,248	28,076	36,211
Planning and development	5,500	9,944	60,458
Change in landfill closure and post-closure costs	-	70,200	38,400
TOTAL EXPENSES	2,385,758	2,288,373	2,288,328
ANNUAL DEFICIT	<u>(266,256)</u>	(404,257)	(350,055)
ACCUMULATED SURPLUS - beginning of year		7,577,425	7,927,480
ACCUMULATED SURPLUS - end of year		7,173,168	7,577,425

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF LIMERICK

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
ANNUAL DEFICIT	(266,256)	(404,257)	(350,055)
Amortization of tangible capital assets	572,807	595,522	572,807
Purchase of tangible capital assets	(323,850)	(487,555)	(32,563)
Loss on disposal of tangible capital assets	-	9,765	-
Proceeds on sale of tangible capital assets	-	49,600	-
Change in prepaid expenses	-	(19,063)	(6,529)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(17,299)	(255,988)	183,660
NET FINANCIAL ASSETS - beginning of year	1,902,434	1,902,434	1,718,774
NET FINANCIAL ASSETS - end of year	1,885,135	1,646,446	1,902,434

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF LIMERICK

STATEMENT OF CASH FLOWS For the Year Ended December 31, 2021

	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(404,257)	(350,055)
Items not involving cash		
Amortization of tangible capital assets	595,522	572,807
Loss on disposal of tangible capital assets	9,765	-
Change in landfill closure and post-closure liability	70,200	38,400
Change in non-cash assets and liabilities		
Taxes receivable	27,805	64,151
Accounts receivable	(115,563)	690,475
Prepaid expenses	(19,063)	(6,529)
Accounts payable and accrued liabilities	(85,320)	(910,833)
Deferred revenue - obligatory reserve funds	21,469	374
Deferred revenue - other	12,083	5,835
Net change in cash from operating activities	112,641	104,625
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(487,555)	(32,563)
Proceeds on disposal of tangible capital assets	49,600	-
Net change in cash from capital activities	(437,955)	(32,563)
INVESTING ACTIVITIES		
Disposal of investments	-	243,231
FINANCING ACTIVITIES		
Debt principal repayments	(6,456)	(15,494)
NET CHANGE IN CASH	(331,770)	299,799
CASH - beginning of year	2,130,499	1,830,700
CASH - end of year	1,798,729	2,130,499

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF LIMERICK

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

These 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 financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the Township of Limerick.

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

(b) Trust Funds

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

(c) Tangible Capital Assets

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

Land improvements	20 years
Buildings	40 - 50 years
Roadways	10 - 20 years
Machinery and equipment	4 - 20 years
Vehicles	5 - 10 years
Computer software and hardware	4 - 10 years

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

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

(d) Non-financial Assets

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

CORPORATION OF THE TOWNSHIP OF LIMERICK

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Reserves and Reserve Funds

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

(f) Recognition of Revenues and Expenses

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

Taxation

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

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

Government Funding

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

Other revenue

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

Investment income is recorded when earned.

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

All other income is recognized in the period in which the transaction or event occurred that gave rise to the revenue.

(g) Deferred Revenue

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

CORPORATION OF THE TOWNSHIP OF LIMERICK

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Use of Estimates

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

- The amounts recorded for landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs; and
- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values.

2. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

	2021	2020
	\$	\$
Parkland	9,808	9,808
Federal gas tax	21,843	374
	31,651	10,182

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

	2021	2020
	\$	\$
Balance - beginning of year	10,182	9,808
Add amounts received:		
Federal gas tax	42,568	20,993
Interest	-	374
	42,568	21,367
Less transfer to operations:		
Transportation projects	21,099	20,993
Balance - end of year	31,651	10,182

CORPORATION OF THE TOWNSHIP OF LIMERICK

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

3. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2021	2020
	\$	\$
Safe restart funding	49,191	31,297
Downtown Revitalization	4,098	4,098
Ontario Cannabis Legalization Implementation Fund	11,428	15,000
FCM funding	6,044	8,283
	70,761	58,678

The continuity of deferred revenue - other is as follows:

	2021	2020
	\$	\$
Balance - beginning of year	58,678	52,843
Safe restart funding	28,000	36,300
FCM funding	-	26,352
	28,000	62,652
Downtown Revitalization	-	33,745
Safe restart funding	10,106	5,003
FCM funding	2,239	18,069
Ontario Cannabis Legalization Implementation Fund	3,572	-
	15,917	56,817
Balance - end of year	70,761	58,678

4. TRUST FUNDS

Trust funds administered by the Township amounting to \$9,092 (2020 - \$9,092) have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

CORPORATION OF THE TOWNSHIP OF LIMERICK

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

5. LONG TERM DEBT

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

	2021	2020
	\$	\$
Long term bank loan, due May 2021, repayable in monthly fixed principal installments of \$1,291 plus interest at prime rate plus 1%.	-	6,456

(b) The long term debt in (a) issued in the name of the Township has been approved by by-law. The annual principal and interest payments required to service this liability is within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

(c) Interest paid during the year on long term debt amounted to \$63 (2020 - \$579).

6. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The estimated liability for landfill closure and post-closure costs for the Township is \$339,600 (2020 - \$269,400). The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The Township has a landfill reserve fund of \$195,183 (2021 - \$170,183) any remaining landfill closure and post-closure liability, if any, will be funded from taxation. There are no specific assets designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining life of the landfill, using a discount factor of 2.85% and an inflation rate of 3%. The remaining capacity of the solid waste landfill site is estimated at 8,520 m3 (2020 - 8,980 m3) which is 39.2% (2020 - 41.3%) of the site's total capacity. The total discounted future cash flows for closure and post-closure cost is estimated at \$465,967 (2020 - \$459,175) as at December 31, 2021. The landfill is expected to reach its capacity in 2052.



CORPORATION OF THE TOWNSHIP OF LIMERICK

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

7. TANGIBLE CAPITAL ASSETS

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

	2021	2020
	\$	\$
General		
Land	129,941	129,941
Land improvements	4,547	5,305
Buildings	101,779	112,472
Machinery and equipment	287,122	215,802
Vehicles	461,703	193,624
Infrastructure		
Roads	3,250,317	3,715,586
Bridges	1,245,479	1,275,490
	5,480,888	5,648,220

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

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

	2021	2020
	\$	\$
General government	183,132	192,897
Protection services	50,731	56,512
Transportation services	5,184,221	5,329,890
Environmental services	19,041	20,310
Health services	4,549	4,549
Recreation and cultural services	39,214	44,062
	5,480,888	5,648,220

CORPORATION OF THE TOWNSHIP OF LIMERICK

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

8. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2021	2020
	\$	\$
Surplus/(Deficit)		
Operations	338,833	422,625
Unfunded landfill closure and post closure costs	(339,600)	(269,400)
	(767)	153,225
Invested In Capital Assets		
Tangible capital assets - net book value	5,480,888	5,648,220
Long term debt	-	(6,456)
	5,480,888	5,641,764
Surplus	5,480,121	5,794,989
Reserves		
Acquisition of capital assets	348,332	333,331
Working funds	265,205	265,205
Total Reserves	613,537	598,536
Reserve Funds		
Waste disposal	195,183	170,183
Fire capital	192,506	132,506
Roads	691,821	881,211
Total Reserve Funds	1,079,510	1,183,900
	7,173,168	7,577,425

CORPORATION OF THE TOWNSHIP OF LIMERICK

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

9. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2021, requisitions were made by the County of Hastings and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxes	220,559	408,943
Taxation from other governments	97	3,439
Amounts requisitioned and remitted	220,656	412,382

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

10. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$200,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2021-01. At December 31, 2021 there was no balance outstanding (2020 - \$Nil).

11. EXPENSES BY OBJECT

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

	Budget 2021 \$	Actual 2021 \$	Actual 2020 \$
	(Unaudited)		
Salaries and benefits	645,850	628,596	709,540
Interest charges	12,000	11,748	579
Materials	893,223	685,036	620,688
Contracted services	262,500	234,150	294,660
Rents and financial	12,600	17,095	11,278
External transfers	36,778	36,261	40,376
Amortization	572,807	595,522	572,807
Loss/(gain) on sale of assets	(50,000)	9,765	-
Change in landfill closure and post-closure costs	-	70,200	38,400
	2,385,758	2,288,373	2,288,328

12. COMPARATIVE FIGURES

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

CORPORATION OF THE TOWNSHIP OF LIMERICK

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

13. BUDGET FIGURES

The budget, approved by the Township, for 2021 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

14. PENSION AGREEMENTS

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

The Actuarial Opinion contained in the 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 Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2021 were \$27,425 (2020 - \$27,197).

15. UNCERTAINTY CAUSED BY COVID-19

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

16. SEGMENTED INFORMATION

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

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

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

General Government

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

CORPORATION OF THE TOWNSHIP OF LIMERICK

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

16. SEGMENTED INFORMATION, continued

Protection Services

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

Transportation Services

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

Environmental Services

The environmental function is responsible for waste collection, waste disposal, and recycling.

Health Services

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

Recreation and Cultural Services

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

Planning and Development

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

17. CONTINGENT LIABILITIES

The Township, in the course of its operations is subject to claims, lawsuits and contingencies. The Township records settlements as liabilities in the period they are reasonably determined. Although it is possible that liabilities may arise in other instances for which no accruals have been made, the Township does not believe that such an outcome will significantly impair its operations or have a material adverse effect on its financial position.

CORPORATION OF THE TOWNSHIP OF LIMERICK

SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2021

	General					Infrastructure		Totals \$
	Land \$	Land Improvements \$	Buildings \$	Machinery and Equipment \$	Vehicles \$	Roads \$	Bridges \$	
COST								
Balance, beginning of year	129,941	15,162	439,560	661,787	787,064	5,418,694	1,500,665	8,952,873
Add: additions during the year	-	-	-	150,218	337,337	-	-	487,555
Less: disposals during the year	-	-	-	248,490	10,176	-	-	258,666
Balance, end of year	129,941	15,162	439,560	563,515	1,114,225	5,418,694	1,500,665	9,181,762
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	9,857	327,088	445,985	593,440	1,703,108	225,175	3,304,653
Add: additions during the year	-	758	10,693	19,533	69,258	465,269	30,011	595,522
Less: disposals during the year	-	-	-	189,125	10,176	-	-	199,301
Balance, end of year	-	10,615	337,781	276,393	652,522	2,168,377	255,186	3,700,874
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	129,941	4,547	101,779	287,122	461,703	3,250,317	1,245,479	5,480,888

CORPORATION OF THE TOWNSHIP OF LIMERICK

SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2021

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Change in landfill closure and post- closure costs \$	Consolidated \$
Revenues									
Property taxation	33,620	176,901	847,654	102,800	1,500	32,400	-	-	1,194,875
User charges	10,400	51,275	4,460	11,677	1,559	4,000	26,356	-	109,727
Government transfers - operating	266,726	151,977	50,000	8,138	-	-	-	-	476,841
Other municipalities	-	40,000	-	-	-	-	-	-	40,000
Penalties and interest on taxes	32,635	-	-	-	-	-	-	-	32,635
Federal gas tax earned	-	-	21,099	-	-	-	-	-	21,099
Other	8,939	-	-	-	-	-	-	-	8,939
Total revenues	352,320	420,153	923,213	122,615	3,059	36,400	26,356	-	1,884,116
Expenses									
Salaries and benefits	248,369	62,620	272,805	39,375	-	5,427	-	-	628,596
Interest charges	-	-	11,748	-	-	-	-	-	11,748
Materials	194,437	78,006	340,240	47,375	2,183	12,851	9,944	-	685,036
Contracted services	45,432	147,377	13,342	27,999	-	-	-	-	234,150
Rents and financial	16,199	-	896	-	-	-	-	-	17,095
External transfers	1,533	29,778	-	-	-	4,950	-	-	36,261
Amortization	9,765	6,393	573,247	1,269	-	4,848	-	-	595,522
Loss (gain) on disposal of tangible capital assets	-	-	9,765	-	-	-	-	-	9,765
Change in landfill closure and post-closure costs	-	-	-	-	-	-	-	70,200	70,200
Total expenses	515,735	324,174	1,222,043	116,018	2,183	28,076	9,944	70,200	2,288,373
Net surplus/(deficit)	(163,415)	95,979	(298,830)	6,597	876	8,324	16,412	(70,200)	(404,257)

CORPORATION OF THE TOWNSHIP OF LIMERICK

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

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Change in landfill closure and post- closure costs \$	Consolidated \$
Revenues									
Property taxation	47,456	-	1,039,936	65,739	500	30,350	-	-	1,183,981
User charges	425	18,957	-	9,803	752	1,465	35,316	-	66,718
Government transfers - operating	227,323	242,860	-	6,072	-	4,662	33,744	-	514,661
Other municipalities	-	86,812	-	-	-	-	-	-	86,812
Penalties and interest on taxes	31,340	-	-	-	-	-	-	-	31,340
Federal gas tax earned	-	-	20,993	-	-	-	-	-	20,993
Other	33,768	-	-	-	-	-	-	-	33,768
Total revenues	340,312	348,629	1,060,929	81,614	1,252	36,477	69,060	-	1,938,273
Expenses									
Salaries and benefits	274,776	74,625	324,748	30,252	-	5,139	-	-	709,540
Interest charges	-	-	579	-	-	-	-	-	579
Materials	124,736	36,556	372,933	9,271	900	15,834	60,458	-	620,688
Contracted services	92,103	164,727	4,887	32,943	-	-	-	-	294,660
Rents and financial	10,706	-	572	-	-	-	-	-	11,278
External transfers	1,588	28,398	-	-	-	10,390	-	-	40,376
Amortization	10,404	9,585	546,701	1,269	-	4,848	-	-	572,807
Change in landfill closure and post-closure costs	-	-	-	-	-	-	-	38,400	38,400
Total expenses	514,313	313,891	1,250,420	73,735	900	36,211	60,458	38,400	2,288,328
Net surplus/(deficit)	(174,001)	34,738	(189,491)	7,879	352	266	8,602	(38,400)	(350,055)

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Limerick

Opinion

We have audited the financial statements of the Trust Fund of the Corporation of the Township of Limerick (the Trust Fund), 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, the financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2021, and the continuity of the Trust Fund for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 18, 2022

CORPORATION OF THE TOWNSHIP OF LIMERICK

TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2021

	2021 Cemetery Trust \$	2020 Cemetery Trust \$
FINANCIAL ASSETS		
Cash	2,034	2,034
Investments (note 2)	8,624	8,455
	<u>10,658</u>	<u>10,489</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to Township	1,566	1,397
FUND BALANCE	<u>9,092</u>	<u>9,092</u>
	<u>10,658</u>	<u>10,489</u>

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

	2021 Cemetery Trust \$	2020 Cemetery Trust \$
BALANCE - beginning of year	<u>9,092</u>	<u>9,092</u>
RECEIPTS		
Interest earned	169	166
EXPENSES		
Transfer to operations	169	166
BALANCE - end of year	<u>9,092</u>	<u>9,092</u>

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF LIMERICK

TRUST FUND NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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.

2. INVESTMENTS

The investment is a GIC bearing interest at 2.00% and maturing February 15, 2022. The GIC is recorded at cost plus accrued interest.

3. CARE AND MAINTENANCE FUNDS

The Perpetual Care Fund administered by the Treasurer of the Township of Limerick is funded by the sale of cemetery plots and monuments. These funds are invested and earnings derived therefrom are used to perform perpetual care maintenance to the Township's cemeteries. The operations and investments of the Fund are undertaken by the Treasurer in accordance with the regulations of the Funeral, Burial and Cremation Services Act, 2002.