

**CORPORATION OF THE TOWNSHIP OF LIMERICK**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

*Draft September 11, 2023*

**CORPORATION OF THE TOWNSHIP OF LIMERICK**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

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*Draft September 11, 2023*

# CORPORATION OF THE TOWNSHIP OF LIMERICK

For The Year Ended December 31, 2022

## 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.

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Mayor

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Clerk-Treasurer

September 18, 2023

## **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, 2022, 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, 2022, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Township to express an opinion on the 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  
September 18, 2023

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2022

	2022	2021
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	1,216,350	1,798,729
Taxes receivable	161,647	197,533
Accounts receivable	874,869	261,845
<b>TOTAL FINANCIAL ASSETS</b>	<b>2,252,866</b>	<b>2,258,107</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	238,906	169,649
Deferred revenue - obligatory reserve funds (note 2)	53,121	31,651
Deferred revenue - other (note 3)	32,501	70,761
Landfill closure and post-closure liability (note 5)	201,400	339,600
<b>TOTAL LIABILITIES</b>	<b>525,928</b>	<b>611,661</b>
<b>NET FINANCIAL ASSETS</b>	<b>1,726,938</b>	<b>1,646,446</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 8)	5,224,118	5,480,888
Prepaid expenses	41,491	45,834
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>5,265,609</b>	<b>5,526,722</b>
<b>ACCUMULATED SURPLUS (note 9)</b>	<b>6,992,547</b>	<b>7,173,168</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
<b>REVENUES</b>			
Property taxation	1,214,246	1,204,938	1,194,875
User charges	69,400	56,749	109,727
Government of Canada	80,000	63,441	2,239
Province of Ontario	521,631	914,723	474,602
Other municipalities	45,000	114,099	40,000
Penalties and interest on taxes	33,000	20,988	32,635
Canada Community-Building Fund earned	21,946	-	21,099
Gain on disposal of tangible capital assets	-	5,162	-
Other	10,000	51,684	8,939
<b>TOTAL REVENUES</b>	<b>1,995,223</b>	<b>2,431,784</b>	<b>1,884,116</b>
<b>EXPENSES</b>			
General government	501,378	668,729	515,735
Protection services	354,312	737,938	324,174
Transportation services	1,158,776	1,221,328	1,222,043
Environmental services	99,744	91,410	116,018
Health services	1,508	1,635	2,183
Recreation and cultural services	33,237	28,062	28,076
Planning and development	5,767	1,503	9,944
Change in landfill closure and post-closure costs	-	(138,200)	70,200
<b>TOTAL EXPENSES</b>	<b>2,154,722</b>	<b>2,612,405</b>	<b>2,288,373</b>
<b>ANNUAL DEFICIT</b>	<b><u>(159,499)</u></b>	<b>(180,621)</b>	<b>(404,257)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>7,173,168</b>	<b>7,577,425</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>6,992,547</b>	<b>7,173,168</b>

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
<b>ANNUAL DEFICIT</b>	(159,499)	(180,621)	(404,257)
Amortization of tangible capital assets	595,522	622,202	595,522
Purchase of tangible capital assets	(251,087)	(365,432)	(487,555)
Loss/(gain) on disposal of tangible capital assets	-	(5,162)	9,765
Proceeds on sale of tangible capital assets	-	5,162	49,600
Change in prepaid expenses	-	4,343	(19,063)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	184,936	80,492	(255,988)
<b>NET FINANCIAL ASSETS - beginning of year</b>	1,646,446	1,646,446	1,902,434
<b>NET FINANCIAL ASSETS - end of year</b>	1,831,382	1,726,938	1,646,446

*The accompanying notes are an integral part of these financial statements*



# CORPORATION OF THE TOWNSHIP OF LIMERICK

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2022

	2022	2021
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual deficit	(180,621)	(404,257)
Items not involving cash		
Amortization of tangible capital assets	622,202	595,522
Loss/(gain) on disposal of tangible capital assets	(5,162)	9,765
Change in landfill closure and post-closure liability	(138,200)	70,200
Change in non-cash assets and liabilities		
Taxes receivable	35,886	27,805
Accounts receivable	(613,024)	(115,563)
Prepaid expenses	4,343	(19,063)
Accounts payable and accrued liabilities	69,257	(85,320)
Deferred revenue - obligatory reserve funds	21,470	21,469
Deferred revenue - other	(38,260)	12,083
Net change in cash from operating activities	(222,109)	112,641
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(365,432)	(487,555)
Proceeds on disposal of tangible capital assets	5,162	49,600
Net change in cash from capital activities	(360,270)	(437,955)
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments	-	(6,456)
<b>NET CHANGE IN CASH</b>	(582,379)	(331,770)
<b>CASH - beginning of year</b>	1,798,729	2,130,499
<b>CASH - end of year</b>	1,216,350	1,798,729

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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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 consolidated 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 consolidated 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.

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# CORPORATION OF THE TOWNSHIP OF LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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### 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.

Canada Community-Building Fund and development charges 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 CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

### 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:

	2022	2021
	\$	\$
Parkland	9,808	9,808
Canada Community-Building Fund	43,313	21,843
	53,121	31,651

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

	2022	2021
	\$	\$
Balance - beginning of year	31,651	10,182
Add amounts received:		
Canada Community-Building Fund	21,470	42,568
Less transfer to operations:		
Transportation projects	-	21,099
Balance - end of year	53,121	31,651

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

### 3. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2022	2021
	\$	\$
Safe restart funding	5,297	49,191
Downtown Revitalization	2,732	4,098
Ontario Cannabis Legalization Implementation Fund	11,428	11,428
FCM funding	6,044	6,044
Animal Rescue University of Guelph	7,000	-
	32,501	70,761

The continuity of deferred revenue - other is as follows:

	2022	2021
	\$	\$
Balance - beginning of year	70,761	58,678
Safe restart funding	-	28,000
Animal Rescue Unniversity of Guelph	7,000	-
	7,000	28,000
Safe restart funding	43,894	10,106
FCM funding	1,366	2,239
Ontario Cannabis Legalization Implementation Fund	-	3,572
	45,260	15,917
Balance - end of year	32,501	70,761

### 4. TRUST FUNDS

Trust funds administered by the Township amounting to \$9,092 (2021 - \$9,092) 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 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 CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2022

### 5. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The estimated liability for landfill closure and post-closure costs for the Township is \$201,400 (2021 - \$339,600). 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 - \$195,183) 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 4.73% and an inflation rate of 3%. The remaining capacity of the solid waste landfill site is estimated at 7,540 m<sup>3</sup> (2021 - 8,980 m<sup>3</sup>) which is 34.7% (2021 - 39.2%) of the site's total capacity. The total discounted future cash flows for closure and post-closure cost is estimated at \$308,473 (2021 - \$465,967) as at December 31, 2022. The landfill is expected to reach its capacity in 2046.

### 6. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2022, 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	221,037	425,132
Taxation from other governments	97	1,639
<b>Amounts requisitioned and remitted</b>	<b>221,134</b>	<b>426,771</b>

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

### 7. 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 2022-01. At December 31, 2022 there was no balance outstanding (2021 - \$Nil).

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

### 8. TANGIBLE CAPITAL ASSETS

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

	2022	2021
	\$	\$
General		
Land	129,941	129,941
Land improvements	3,789	4,547
Buildings	168,802	101,779
Machinery and equipment	365,625	287,122
Vehicles	416,533	461,703
Infrastructure		
Roads	2,923,962	3,250,317
Bridges	1,215,466	1,245,479
	5,224,118	5,480,888

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

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

	2022	2021
	\$	\$
General government	267,587	183,132
Protection services	76,695	50,731
Transportation services	4,823,150	5,184,221
Environmental services	17,771	19,041
Health services	4,549	4,549
Recreation and cultural services	34,366	39,214
	5,224,118	5,480,888

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

### 9. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
<b>Surplus/(Deficit)</b>		
Operations	143,613	338,833
Unfunded landfill closure and post closure costs	(201,400)	(339,600)
	(57,787)	(767)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	5,224,118	5,480,888
<b>Surplus</b>	5,166,331	5,480,121
<b>Reserves</b>		
Acquisition of capital assets	350,833	348,332
Working funds	265,205	265,205
<b>Total Reserves</b>	616,038	613,537
<b>Reserve Funds</b>		
Waste disposal	220,183	195,183
Fire capital	225,512	192,506
Roads	764,483	691,821
<b>Total Reserve Funds</b>	1,210,178	1,079,510
	6,992,547	7,173,168



# CORPORATION OF THE TOWNSHIP OF LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

### 10. EXPENSES BY OBJECT

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

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
Salaries and benefits	704,300	691,392	628,596
Interest charges	-	-	11,748
Materials	519,639	1,127,159	685,036
Contracted services	275,000	253,941	234,150
Rents and financial	13,000	12,651	17,095
External transfers	47,261	43,261	36,261
Amortization	595,522	622,202	595,522
Loss/(gain) on sale of assets	-	-	9,765
Change in landfill closure and post-closure costs	-	(138,200)	70,200
	2,154,722	2,612,406	2,288,373

### 11. BUDGET FIGURES

The budget, approved by the Township, for 2022 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated 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.

### 12. 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 2022 Annual Report disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with actuarial assets of \$123,628 million indicating an actuarial deficit of \$6,678 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2022 were \$31,905 (2021 - \$27,425).

### 13. 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.

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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### 13. SEGMENTED INFORMATION, continued

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.

#### **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.

### 14. 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.

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# CORPORATION OF THE TOWNSHIP OF LIMERICK

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2022

	General					Infrastructure		Totals \$
	Land \$	Land Improvements \$	Buildings \$	Machinery and Equipment \$	Vehicles \$	Roads \$	Bridges \$	
<b>COST</b>								
Balance, beginning of year	129,941	15,162	439,560	563,515	1,114,225	5,418,694	1,500,665	9,181,762
Add: additions during the year	-	-	79,302	104,790	26,994	154,346	-	365,432
Less: disposals during the year	-	-	-	-	8,400	-	-	8,400
Balance, end of year	129,941	15,162	518,862	668,305	1,132,819	5,573,040	1,500,665	9,538,794
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	-	10,615	337,781	276,393	652,522	2,168,377	255,186	3,700,874
Add: additions during the year	-	758	12,279	26,287	72,164	480,701	30,013	622,202
Less: disposals during the year	-	-	-	-	8,400	-	-	8,400
Balance, end of year	-	11,373	350,060	302,680	716,286	2,649,078	285,199	4,314,676
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	129,941	3,789	168,802	365,625	416,533	2,923,962	1,215,466	5,224,118

*Draft September 14, 2023*

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2022

	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 \$
<b>Revenues</b>									
Property taxation	197,237	194,378	692,454	91,000	1,700	28,169	-	-	1,204,938
User charges	1,925	19,676	5,304	16,614	338	4,410	8,482	-	56,749
Government transfers - operating	715,736	147,377	100,000	12,720	-	2,331	-	-	978,164
Other municipalities	67,899	46,200	-	-	-	-	-	-	114,099
Penalties and interest on taxes	20,988	-	-	-	-	-	-	-	20,988
Gain/(loss) on disposal of tangible capital assets	-	-	5,162	-	-	-	-	-	5,162
Other	51,684	-	-	-	-	-	-	-	51,684
<b>Total revenues</b>	<b>1,055,469</b>	<b>407,631</b>	<b>802,920</b>	<b>120,334</b>	<b>2,038</b>	<b>34,910</b>	<b>8,482</b>	<b>-</b>	<b>2,431,784</b>
<b>Expenses</b>									
Salaries and benefits	258,378	84,163	307,377	33,539	-	7,935	-	-	691,392
Materials	314,860	463,528	318,266	13,088	1,635	14,279	1,503	-	1,127,159
Contracted services	61,851	146,876	1,700	43,514	-	-	-	-	253,941
Rents and financial	11,421	-	1,230	-	-	-	-	-	12,651
External transfers	10,000	32,261	-	-	-	1,000	-	-	43,261
Amortization	12,219	11,110	592,756	1,269	-	4,848	-	-	622,202
Change in landfill closure and post-closure costs	-	-	-	-	-	-	-	(138,200)	(138,200)
<b>Total expenses</b>	<b>668,729</b>	<b>737,938</b>	<b>1,221,329</b>	<b>91,410</b>	<b>1,635</b>	<b>28,062</b>	<b>1,503</b>	<b>(138,200)</b>	<b>2,612,406</b>
<b>Net surplus/(deficit)</b>	<b>386,740</b>	<b>(330,307)</b>	<b>(418,409)</b>	<b>28,924</b>	<b>403</b>	<b>6,848</b>	<b>6,979</b>	<b>138,200</b>	<b>(180,622)</b>

*Draft September 15, 2023*

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## CONSOLIDATED 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 \$
<b>Revenues</b>									
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
Canada Community-Building Fund earned	-	-	21,099	-	-	-	-	-	21,099
Other	8,939	-	-	-	-	-	-	-	8,939
<b>Total revenues</b>	<b>352,320</b>	<b>420,153</b>	<b>923,213</b>	<b>122,615</b>	<b>3,059</b>	<b>36,400</b>	<b>26,356</b>	<b>-</b>	<b>1,884,116</b>
<b>Expenses</b>									
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
<b>Total expenses</b>	<b>515,735</b>	<b>324,174</b>	<b>1,222,043</b>	<b>116,018</b>	<b>2,183</b>	<b>28,076</b>	<b>9,944</b>	<b>70,200</b>	<b>2,288,373</b>
<b>Net surplus/(deficit)</b>	<b>(163,415)</b>	<b>95,979</b>	<b>(298,830)</b>	<b>6,597</b>	<b>876</b>	<b>8,324</b>	<b>16,412</b>	<b>(70,200)</b>	<b>(404,257)</b>

*Draft* September 11, 2023

## **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, 2022, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2022, 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.

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
September 18, 2023

# CORPORATION OF THE TOWNSHIP OF LIMERICK

## TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2022

	2022 Cemetery Trust \$	2021 Cemetery Trust \$
<b>FINANCIAL ASSETS</b>		
Cash	2,035	2,034
Investments (note 2)	8,645	8,624
	<b>10,680</b>	<b>10,658</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Due to Township	1,588	1,566
<b>FUND BALANCE</b>	<b>9,092</b>	<b>9,092</b>
	<b>10,680</b>	<b>10,658</b>

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

	2022 Cemetery Trust \$	2021 Cemetery Trust \$
<b>BALANCE - beginning of year</b>	9,092	9,092
<b>RECEIPTS</b>		
Interest earned	22	169
<b>EXPENSES</b>		
Transfer to operations	22	169
<b>BALANCE - end of year</b>	<b>9,092</b>	<b>9,092</b>

*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, 2022

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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.

### 2. INVESTMENTS

The investment is a GIC bearing interest at 2.00% and maturing February 15, 2023. 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.