

Consolidated Financial Statements

**THE CORPORATION OF THE  
COUNTY OF HALIBURTON**

And Independent Auditors' Report thereon

Year ended December 31, 2020



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## INDEPENDENT AUDITORS' REPORT

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

### ***Opinion***

We have audited the consolidated financial statements of The Corporation of the County of Haliburton (the "County"), which comprise:

- the consolidated statement of financial position as at December 31, 2020;
- the consolidated statement of operations and accumulated surplus for the year then ended;
- the consolidated statement of change in net financial assets for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- and the notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the County as at December 31, 2020, and its consolidated results of operations and accumulated surplus 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the County 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 for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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 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.

### ***Auditors' 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 auditors' 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 the 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 County's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 auditors' 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 auditors' report. However, future events or conditions may cause the County's 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

May 27, 2021

# THE CORPORATION OF THE COUNTY OF HALIBURTON

## Consolidated Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
<b>Financial Assets</b>		
Cash	\$ 6,470,745	\$ 3,421,652
Investments (note 2)	2,544,529	2,460,086
Accounts receivable (note 3)	713,386	652,587
	<u>9,728,660</u>	<u>6,534,325</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	2,708,276	1,663,287
Deferred revenue (note 4)	289,000	111,114
Employee post-retirement benefits (note 5)	343,900	342,700
Capital lease obligation (note 6)	-	56,106
Municipal debt (note 7)	4,341,530	1,462,578
	<u>7,682,706</u>	<u>3,635,785</u>
Net financial assets	2,045,954	2,898,540
<b>Non-financial Assets</b>		
Tangible capital assets (note 8)	41,177,987	36,279,893
Prepaid expenses	140,807	89,423
	<u>41,318,794</u>	<u>36,369,316</u>
Contingencies and commitments (note 10)		
Effects of COVID-19 (note 14)		
Accumulated surplus (note 9)	\$ 43,364,748	\$ 39,267,856

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of Council:



Warden

# THE CORPORATION OF THE COUNTY OF HALIBURTON

## Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2020, with comparative information for 2019

	Budget 2020 (note 11)	Actual 2020	Actual 2019
<b>Revenue:</b>			
Requisition on local municipalities	\$ 19,171,181	\$ 19,130,016	\$ 18,247,372
Government grants - Federal	1,331,785	545,338	1,113,695
Government grants - Provincial	4,104,610	5,365,714	4,277,716
User fees and service charges	345,259	624,670	486,077
<b>Other:</b>			
Investment income	80,067	127,554	138,104
Donations and other	42,850	45,400	91,198
Gain on sale of tangible capital assets	45,000	10,370	52,308
<b>Total revenue</b>	<b>25,120,752</b>	<b>25,849,062</b>	<b>24,406,470</b>
<b>Expenses:</b>			
General government	2,699,296	2,875,959	2,590,474
Protection services	189,612	157,326	163,322
Transportation services	8,803,743	8,455,438	8,142,324
Health services	6,199,804	6,505,617	6,080,023
Social and family services	540,573	479,345	496,394
Social housing	1,410,770	1,129,040	1,193,669
Recreational and cultural services	1,140,902	968,669	1,103,879
Planning and development	1,368,366	1,180,776	1,494,671
<b>Total expenses</b>	<b>22,353,066</b>	<b>21,752,170</b>	<b>21,264,756</b>
<b>Annual surplus</b>	<b>2,767,686</b>	<b>4,096,892</b>	<b>3,141,714</b>
<b>Accumulated surplus, beginning of year</b>	<b>39,267,856</b>	<b>39,267,856</b>	<b>36,126,142</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 42,035,542</b>	<b>\$ 43,364,748</b>	<b>\$ 39,267,856</b>

The accompanying notes are an integral part of these consolidated financial statements.

# THE CORPORATION OF THE COUNTY OF HALIBURTON

## Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2020, with comparative information for 2019

	Budget 2020 (note 11)	Actual 2020	Actual 2019
Annual surplus	\$ 2,767,686	\$ 4,096,892	\$ 3,141,714
Acquisition of tangible capital assets	(9,939,567)	(8,914,332)	(5,118,438)
Amortization of tangible capital assets	4,299,477	3,984,001	3,538,289
Gain on sale of tangible capital assets	(45,000)	(10,370)	(52,308)
Proceeds on sale of tangible capital assets	45,000	42,607	52,308
Acquisition of prepaid expenses	-	(140,807)	(89,423)
Utilization of prepaid expenses	-	89,423	116,992
Change in net financial assets	(2,872,404)	(852,586)	1,589,134
Net financial assets, beginning of year	2,898,540	2,898,540	1,309,406
Net financial assets, end of year	\$ 26,136	\$ 2,045,954	\$ 2,898,540

The accompanying notes are an integral part of these consolidated financial statements.

# THE CORPORATION OF THE COUNTY OF HALIBURTON

## Consolidated Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 4,096,892	\$ 3,141,714
Items not involving cash:		
Amortization of tangible capital assets	3,984,001	3,538,289
Gain on sale of tangible capital assets	(10,370)	(52,308)
	8,070,523	6,627,695
Change in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	(60,799)	69,149
Decrease in inventory held for resale	-	6,674
Increase in deferred revenue	177,886	64,637
Decrease (increase) in prepaid expenses	(51,384)	27,569
Increase (decrease) in employee future benefits	1,200	(5,100)
Increase (decrease) payable and accrued liabilities	1,044,989	(434,169)
Net change in cash from operating activities	9,182,415	6,356,455
Capital activities:		
Proceeds on disposition of tangible capital assets	42,607	52,308
Acquisition of tangible capital assets	(8,914,332)	(5,118,438)
Net change in cash from capital activities	(8,871,725)	(5,066,130)
Financing activities:		
Purchase of investments	(84,443)	(1,686,866)
Proceeds on issuance of long-term debt	3,000,000	-
Repayment of capital lease obligation	(56,106)	(62,042)
Debt principal repayments	(121,048)	(543,802)
Net change in cash from financing activities	2,738,403	(2,292,710)
Net change in cash and cash equivalents	3,049,093	(1,002,385)
Cash, beginning of year	3,421,652	4,424,037
Cash, end of year	\$ 6,470,745	\$ 3,421,652

The accompanying notes are an integral part of these consolidated financial statements.



# THE CORPORATION OF THE COUNTY OF HALIBURTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2020

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The Corporation of the County of Haliburton (the "County") is an upper-tier county in Ontario. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and other related legislation.

### 1. Significant accounting policies:

The consolidated financial statements of the County are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the County are as follows:

#### (a) Basis of consolidation:

These consolidated financial statements reflect the assets, liabilities, revenues, expenses and fund balances of the reporting entity and include the activities of all committees of Council and the following local boards which are under the control of Council:

Haliburton County Public Library Board

All interfund and inter-entity assets, liabilities, revenues and expenses have been eliminated.

#### (b) Basis of accounting:

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 revenues. Expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

The focus of these consolidated financial statements is on the consolidated statement of financial position of the County and the changes thereto. The consolidated statement of financial position includes all the financial assets and liabilities of the County as well as non-financial assets. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Net debt form a part of the consolidated statement of financial position and is the difference between financial assets and liabilities. This provides information about the County's overall future revenue requirements and its ability to finance activities and meet its obligations. Non-financial assets are normally used to deliver services. Their value lies with their service potential rather than their ability to generate future cash inflows. They form part of the consolidated statement of financial position as they provide resources that the government can employ in the future to meet its objectives. The accumulated surplus is made up of the combination of net debt and non-financial assets.

#### (c) Cash:

Cash includes cash and cash equivalents which consist of bank balances and investments in money market instruments with maturities of three months or less, and is net of any temporary borrowings for current purposes.

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

## 1. Significant accounting policies (continued):

### (d) Revenue recognition:

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.

Government transfers are recognized in the period in which the events giving rise to the transfer occurred, provided that the transfer is authorized and the amount can be reasonably estimated. Government grants are recognized when approved to the extent the related expenses have been incurred and collection can be reasonably assured.

User fees and other revenues are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided.

Fines and donations are recognized when collected.

### (e) Government transfers:

Government transfers are recognized as revenue in the consolidated financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulation liabilities are settled.

### (f) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donations, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated useful life of the tangible capital asset as follows:

Assets	Useful Life - Years
Land improvements	15
Buildings	20 to 40
Leasehold improvements	5
Vehicles	4 to 10
Machinery and equipment-heavy	20
Machinery and equipment-operating	10
Computer and hardware and software	5
Road surface	5 to 25
Road base	40
Bridges	50 to 100
Culverts	25 to 75

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

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## 1. Significant accounting policies (continued):

### (f) Tangible capital assets (continued):

Tangible capital assets under construction are recorded at cost. Amortization is recorded at 50% in the year of acquisition.

### (g) Investments:

Investments consist of authorized investments pursuant to provisions of the Municipal Act and are comprised of short term instruments in various securities. Investments with original maturity dates been three months and one year are classified as investments in the statement of financial position and are carried at fair market value.

Investment income earned on the short term instruments, reserve and reserve funds (other than obligatory funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances.

### (h) Pension plan:

The County is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The County has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The County records as pension expense the current service cost.

### (i) Employee post-retirement benefits:

The County accrues its obligations for employee benefit plans. The cost of non-pension post-retirement and post-employment benefits earned by employers is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of retirement ages of employees and expected health care costs.

Actuarial gains (losses) on the on the accrued benefit obligation arise from changes in actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by the employee benefit plan is 13 years.

Past service costs arising from plan amendments are recognized immediately in the period the plan amendments occur.

### (j) Deferred revenue:

Under PSAB accounting principles, obligatory reserve funds and any other externally restricted financing amounts must be reported as deferred revenue. Only the amount earned by qualifying expenses in the current year is reflected as revenue in the consolidated statement of operations.

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

## 1. Significant accounting policies (continued):

### (k) Use of estimate:

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include valuation allowances for taxes and user charges receivable, accounts receivable, and estimating provisions for accrued liabilities. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earning in the year in which they become known.

### (l) Financial instruments:

The County initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The County subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market of financial assets or liabilities designated to the fair value category, which are subsequently measured at fair value. Unrealized changes in fair value are recognized in the consolidated statement of operations.

Financial assets measured at amortized cost include cash, taxes and user charges receivables and account receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred revenue and long-term debt.

## 2. Portfolio investments:

	2020		2019	
	Cost	Market	Cost	Market
Equity portfolio	\$ 400,001	\$ 466,627	\$ 400,001	\$ 438,048
High interest savings	1,019,150	1,033,078	1,019,150	1,019,150
Money market portfolio	503,920	507,644	503,920	503,390
Bond portfolio	505,731	537,180	505,731	499,498
	<u>\$ 2,428,802</u>	<u>\$ 2,544,529</u>	<u>\$ 2,428,802</u>	<u>\$ 2,460,086</u>

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

### 3. Accounts receivable:

	2020	2019
Government of Canada	\$ 517,504	\$ 353,709
Province of Ontario	37,500	–
Other municipalities	54,601	227,665
Other	103,781	71,213
	\$ 713,386	\$ 652,587

### 4. Deferred revenue:

Deferred revenue represents unspent funds externally restricted for a specific purpose received in the current and/or prior period that are unspent in the current period.

	2020	2019
Safe Restart – Phase 2	\$ 287,000	\$ –
Other	2,000	91,114
Donation – Community of Making	–	20,000
	\$ 289,000	\$ 111,114

### 5. Employee future amounts payable:

#### Pension agreement:

OMERS provides pension services to more than 461,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the "Plan") by comparing the actuarial value of invested assets to estimated present value of all pension benefits that members have earned to date. Because OMERS is a multi-employer plan, any pension plan surpluses or deficit 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. Contributions made by the County to OMERS for 2020 were \$642,184 (2019 - \$614,955).

The County sponsors a post-retirement defined benefit plan for medical, life insurance and dental benefits for substantially all full time employees with various cost sharing arrangements as determined by their collective agreements. The most recent valuation of employee future benefits was completed as at December 31, 2018.

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

## 5. Employee future amounts payable (continued):

The accrued benefit obligation is recorded in the financial statements as follows:

	2020	2019
Balance, beginning of year	\$ 342,700	\$ 347,800
Add: benefit costs	31,900	30,800
Add: Interest costs	12,400	12,400
	387,000	391,000
Less: benefit contributions	(43,100)	(48,300)
Balance, end of year	\$ 343,900	\$ 342,700

Similar to most post-employment benefit plans (other than pension) in Canada, the County's plan is not pre-funded, resulting in plan deficit equal to the accrued benefit obligation.

The significant actuarial assumptions adopted in measuring the County's accrued benefit obligations are as follows:

	2020	2019
Discount rate	3.50%	3.50%
Dental cost trend rates	4.00%	4.00%
Extended health care trend rates	4.00%	4.00%

## 6. Capital lease obligation:

The balance in capital lease obligation is made up of the following:

	2020	2019
Capital lease obligation, non-interest bearing, expiring in 2020	\$ —	\$ 56,106
	\$ —	\$ 56,106

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

## 7. Municipal debt:

The balance of net municipal debt is made up of the following:

	2020	2019
Loan payable, 1.38%, repayable monthly at \$25,000 principal plus interest, due 2030	\$ 2,950,000	\$ —
Loan payable, 3.24%, repayable in blended semi-annual instalments of \$58,933, due 2035	1,391,530	1,462,578
Net municipal debt	\$ 4,341,530	\$ 1,462,578

Principal payments on the long-term debt are as follows:

2021	\$ 373,369
2022	375,766
2023	378,240
2024	380,796
2025	383,435
Thereafter	2,449,924
	\$ 4,341,530

The long-term liabilities issued in the County's name have been approved by by-law as required and the annual principal and interest payments required are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

## 8. Tangible capital assets:

Cost	Balance at December 31, 2019	Additions	Disposals	Balance at December 31, 2020
Land	\$ 754,228	-	-	754,228
Building and leasehold improvements	4,398,544	33,879	-	4,432,423
Equipment	2,826,030	561,491	(110,811)	3,276,710
Vehicles - licensed	3,983,702	388,524	(8,000)	4,364,226
Vehicles - unlicensed	1,266,211	206,516	(120,960)	1,351,767
Trailers - unlicensed	95,522	48,869	-	144,391
Roads infrastructure	90,947,940	5,558,186	-	96,506,126
Bridges	5,852,208	1,412,123	-	7,264,331
Culverts	1,781,336	704,744	-	2,486,080
<b>Total</b>	<b>\$ 111,905,721</b>	<b>8,914,332</b>	<b>(239,771)</b>	<b>120,580,282</b>

Accumulated Amortization	Balance at December 31, 2019	Amortization	Disposals and adjustments	Balance at December 31, 2020
Land	\$ -	-	-	-
Building and leasehold improvements	1,260,649	161,782	-	1,422,431
Equipment	1,570,258	364,900	(110,766)	1,824,392
Vehicles - licensed	2,229,997	359,757	(8,000)	2,581,754
Vehicles - unlicensed	890,642	69,060	(88,768)	870,934
Trailers - unlicensed	45,158	6,053	-	51,211
Roads infrastructure	67,011,957	2,857,413	-	69,869,370
Bridges	1,946,168	118,458	-	2,064,626
Culverts	670,999	46,578	-	717,577
<b>Total</b>	<b>\$ 75,625,828</b>	<b>3,984,001</b>	<b>(207,534)</b>	<b>79,402,295</b>

	Net book value, December 31, 2019	Net book value, December 31, 2020
Land	\$ 754,228	754,228
Building and land improvements	3,137,895	3,009,992
Equipment	1,255,772	1,452,318
Vehicles - licensed	1,753,705	1,782,472
Vehicles - unlicensed	375,569	480,833
Trailers - unlicensed	50,364	93,180
Roads surface	23,935,983	26,636,756
Bridges	3,906,040	5,199,705
Culverts	1,110,337	1,768,503
<b>Total</b>	<b>\$ 36,279,893</b>	<b>41,177,987</b>



# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

## 8. Tangible capital assets (continued):

Cost	Balance at December 31, 2018	Additions	Disposals	Balance at December 31, 2019
Land	\$ 754,228	-	-	754,228
Building and leasehold improvements	3,592,105	806,439	-	4,398,544
Equipment	2,533,713	398,481	(106,164)	2,826,030
Vehicles - licensed	3,603,439	693,811	(313,548)	3,983,702
Vehicles - unlicensed	1,358,315	-	(92,104)	1,266,211
Trailers - unlicensed	95,522	-	-	95,522
Roads infrastructure	88,161,991	2,785,949	-	90,947,940
Bridges	5,487,707	364,501	-	5,852,208
Culverts	1,712,079	69,257	-	1,781,336
<b>Total</b>	<b>\$ 107,299,099</b>	<b>5,118,438</b>	<b>(511,816)</b>	<b>111,905,721</b>

  

Accumulated Amortization	Balance at December 31, 2018	Amortization	Disposals and adjustments	Balance at December 31, 2019
Land	\$ -	-	-	-
Building and leasehold improvements	1,120,379	140,270	-	1,260,649
Equipment	1,354,719	321,703	(106,164)	1,570,258
Vehicles - licensed	2,199,641	343,904	(313,548)	2,229,997
Vehicles - unlicensed	911,730	71,016	(92,104)	890,642
Trailers - unlicensed	40,915	4,243	-	45,158
Roads infrastructure	64,491,873	2,520,084	-	67,011,957
Bridges	1,844,620	101,548	-	1,946,168
Culverts	635,478	35,521	-	670,999
<b>Total</b>	<b>\$ 72,599,355</b>	<b>3,538,289</b>	<b>(511,816)</b>	<b>75,625,828</b>

  

	Net book value, December 31, 2018	Net book value, December 31, 2019
Land	\$ 754,228	754,228
Building and land improvements	2,471,726	3,137,895
Equipment	1,178,994	1,255,772
Vehicles - licensed	1,403,798	1,753,705
Vehicles - unlicensed	446,585	375,569
Trailers - unlicensed	54,607	50,364
Roads surface	23,670,118	23,935,983
Bridges	3,643,087	3,906,040
Culverts	1,076,601	1,110,337
<b>Total</b>	<b>\$ 34,699,744</b>	<b>36,279,893</b>

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

## 9. Accumulated surplus:

	2020	2019
Internal current and capital funds	\$ 77,763	\$ 220,146
Invested in tangible capital assets (note 8)	41,177,987	36,279,893
Municipal debt to be recovered in future (note 7)	(4,341,530)	(1,462,578)
Reserve/reserve fund balances	6,794,428	4,573,095
Unfunded employee post-retirement benefits (note 5)	(343,900)	(342,700)
Accumulated surplus	\$ 43,364,748	\$ 39,267,856

## 10. Contingent liabilities and commitments:

### (a) 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 \$2 million via an operating line. Any balance borrowed will bear interest at prime plus 0.5% per year. Council authorized the temporary borrowing limit and there was a balance owing as at December 31, 2020 of \$Nil (2019 – \$Nil).

### (b) Other contingencies:

In the normal course of its operations, the County is subject to various litigations and claims. The ultimate outcome of these claims cannot be determined at this time. However, the County's management believes that the ultimate disposition of these matters will not have a material adverse effect on its consolidated statement of financial position.

## 11. Budget amounts:

The budget adopted by the County on January 22, 2020, was prepared on a basis consistent with that used to report actual results. The budget surplus was used for capital expenditures, amortization and repayments of long-term debt.

	2020
Budgeted operating surplus for the year	\$ 2,767,686
Add:	
Amortization	4,299,477
Transfers from reserves	884,599
New debt issued	3,000,000
Less:	
Capital expenditures	(9,939,567)
Transfers to reserves	(726,127)
Principal repayments of long-term debt	(286,068)
Budgeted use of surplus	\$ -

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

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## 12. Public sector salary disclosure:

During 2020, eleven employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the County.

## 13. Comparative information:

Certain comparative information have been reclassified to conform to the consolidated financial statement presentation adopted for 2020.

## 14. Effects of COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

Financial statements are required to be adjusted for events occurring between the date of the financial statements and the date of the auditors' report which provides additional evidence relating to conditions that existed as at year end. At the time of approval of these financial statements, the County has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- The closure of a number of indoor and outdoor facilities to the general public;
- Revisions to the delivery of a number of County services in order to contribute towards social distancing. In certain instances, the delivery of County services has been temporarily suspended during the state of emergency
- Enhanced protocols implemented in line with Public Health guidelines; and
- Put in place measures to limit and control access to the premises by staff and the general public.

## 15. Segmented information:

The Corporation of the County of Haliburton is a municipal government institution that provides a wide range of services to its citizens. County services are reported by function and their activities are separately disclosed in the segmented information. These County services are funded primarily by taxation levies.

The nature of the segments and the activities they encompass are as follows:

### *General government:*

General government revenues and expenses are related to the administration departments and activities including Council, Corporate Administration, Finance, and Information Technology.

### *Protection services:*

Protection to persons and property revenues and expenses are related to Forestry Bylaw and 911 services.

### *Transportation services:*

Transportation services revenues and expenses are related to roads, bridges and culverts, engineering, rail corridor, traffic operations and roadside and winter control.

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

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## 15. Segmented information (continued):

### *Health services:*

Health services revenues and expenses are related to the operation of Land ambulances and transfer to Public Health Unit.

### *Social and family services:*

Social and family services revenues and expenses are related to the County's share of social assistance and child care services provided by City of Kawartha Lakes.

### *Social housing:*

Social housing revenues and expenses are related to the County's share of assisted housing costs provided by City of Kawartha Lakes.

### *Recreational and cultural services:*

Recreational and cultural services revenues and expenses are related to the library.

### *Planning and development:*

Planning and development revenues and expenses are related to the Planning, Land Division, Tourism, Geographic Information System (GIS), and Broadband.

For each segment separately reported in the schedule below, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. These County services are funded primarily by taxation levies.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies.

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Note 15 - Segmented Information (continued)

Year ended December 31, 2020

	General Government	Protection Services	Transportation Services	Health Services	Social and Family Services	Social Housing	Recreation and Culture	Planning and Development	2020
<b>Revenue:</b>									
Requisition on local municipalities	\$ 2,415,620	165,612	8,859,845	3,247,333	479,345	1,501,887	998,218	1,462,156	19,130,016
Government grants - federal	-	-	547,933	-	-	-	-	(2,595)	545,338
Government grants - provincial	1,938,523	-	291,071	2,996,903	-	-	120,353	18,864	5,365,714
User fees and services charges	179,623	24,760	191,122	109,366	-	-	3,289	116,510	624,670
Investment income	110,849	-	-	-	-	-	138	16,567	127,554
Donations and other	1,163	-	-	3,541	-	-	39,196	1,500	45,400
Gain on sale of tangible capital assets	-	-	8,935	1,435	-	-	-	-	10,370
	4,645,778	190,372	9,898,906	6,358,578	479,345	1,501,887	1,161,194	1,613,002	25,849,062
<b>Expenses:</b>									
Salaries and benefits	1,217,615	63,351	2,314,850	4,812,451	-	-	768,422	705,796	9,882,485
Materials, supplies and services	458,114	42,696	2,475,783	550,029	-	-	84,358	304,862	3,915,842
Contracted services	263,003	51,279	287,939	4,691	-	-	4,299	111,803	723,014
Interest on long-term debt	-	-	6,891	46,241	-	-	-	-	53,132
Amortization	142,697	-	3,369,975	325,620	-	-	97,394	48,315	3,984,001
Rents and financial	6,492	-	-	-	-	-	14,196	-	20,688
Interfunction	(303,077)	-	-	303,077	-	-	-	-	-
Transfers to other entities	1,091,115	-	-	463,508	479,345	1,129,040	-	10,000	3,173,008
	2,875,959	157,326	8,455,438	6,505,617	479,345	1,129,040	968,669	1,180,776	21,752,170
<b>Annual surplus (deficit)</b>	\$ 1,769,819	33,046	1,443,468	(147,039)	-	372,847	192,525	432,226	4,096,892

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Note 15 - Segmented Information (continued)

Year ended December 31, 2020

	General Government	Protection Services	Transportation Services	Health Services	Social and Family Services	Social Housing	Recreation and Culture	Planning and Development	2019
<b>Revenue:</b>									
Requisition on local municipalities	\$ 2,377,275	159,475	8,360,371	3,478,862	496,394	1,179,781	895,496	1,299,718	18,247,372
Government grants - federal	-	-	1,100,327	-	-	-	7,112	6,256	1,113,695
Government grants - provincial	1,019,402	-	264,057	2,868,261	-	-	120,353	5,643	4,277,716
User fees and services charges	139,064	31,554	117,821	88,622	-	-	12,722	96,294	486,077
Investment income	138,104	-	-	-	-	-	-	-	138,104
Donations and other	529	-	-	826	-	-	69,396	20,447	91,198
Gain on sale of tangible capital assets	-	-	37,133	15,175	-	-	-	-	52,308
	<b>3,674,374</b>	<b>191,029</b>	<b>9,879,709</b>	<b>6,451,746</b>	<b>496,394</b>	<b>1,179,781</b>	<b>1,105,079</b>	<b>1,428,358</b>	<b>24,406,470</b>
<b>Expenses:</b>									
Salaries and benefits	1,131,533	69,499	2,256,754	4,576,358	-	-	882,510	640,207	9,556,861
Materials, supplies and services	436,986	47,909	2,450,431	507,268	-	-	105,064	362,177	3,909,835
Contracted services	65,814	45,914	440,899	4,108	-	-	3,562	15,182	575,479
Interest on long-term debt	-	-	3,349	48,507	-	-	-	-	51,856
Amortization	99,661	-	2,990,891	323,534	-	-	98,883	25,320	3,538,289
Rents and financial	6,560	-	-	198,877	-	-	13,860	-	20,420
Interfunction	(198,877)	-	-	421,371	496,394	1,193,669	-	451,785	3,612,016
Transfers to other entities	1,048,797	-	-	6,080,023	496,394	1,193,669	1,103,879	1,494,671	21,264,756
	<b>2,590,474</b>	<b>163,322</b>	<b>8,142,324</b>	<b>6,080,023</b>	<b>496,394</b>	<b>1,193,669</b>	<b>1,103,879</b>	<b>1,494,671</b>	<b>21,264,756</b>
<b>Annual surplus</b>	<b>\$ 1,083,900</b>	<b>27,707</b>	<b>1,737,385</b>	<b>371,723</b>	<b>-</b>	<b>(13,888)</b>	<b>1,200</b>	<b>(66,313)</b>	<b>3,141,714</b>