

Consolidated Financial Statements

**THE CORPORATION OF THE  
COUNTY OF HALIBURTON**

And Independent Auditor's Report thereon

Year ended December 31, 2022



KPMG LLP  
Times Square  
1760 Regent Street, Unit 4  
Sudbury ON P3E 3Z8  
Canada  
Tel 705-675-8500  
Fax 705-675-7586

## INDEPENDENT AUDITOR'S 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, 2022;
- 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, 2021, 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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's 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 and Those Charged with Governance 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.

Those charged with governance are responsible for overseeing the Entity'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 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.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the County'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*

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

May 24, 2023

# THE CORPORATION OF THE COUNTY OF HALIBURTON

## Consolidated Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial Assets</b>		
Cash	\$ 5,252,825	\$ 4,992,752
Investments (note 2)	6,670,718	6,645,727
Accounts receivable (note 3)	1,465,374	1,376,557
	<u>13,388,917</u>	<u>13,015,036</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	4,636,469	4,174,623
Deferred revenue (note 4)	346,881	550,686
Employee post-retirement benefits (note 5)	398,300	368,200
Municipal debt (note 6)	7,745,326	3,968,161
	<u>13,126,976</u>	<u>9,061,670</u>
Net financial assets	261,941	3,953,366
<b>Non-financial Assets</b>		
Tangible capital assets (note 7)	47,779,244	43,177,036
Prepaid expenses	102,096	34,863
	<u>47,881,340</u>	<u>43,211,899</u>
Contingencies and commitments (note 9)		
Accumulated surplus (note 8)	\$ 48,143,281	\$ 47,165,265

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, 2022, with comparative information for 2021

	Budget 2022 (note 10)	Actual 2022	Actual 2021
<b>Revenue:</b>			
Requisition on local municipalities	\$ 20,946,934	\$ 20,960,141	\$ 20,049,670
Government grants - Federal	595,134	1,213,369	732,364
Government grants - Provincial	5,026,074	4,696,090	5,321,039
User fees and service charges	537,537	1,042,718	1,005,017
<b>Other:</b>			
Investment income	72,345	113,020	136,690
Donations and other	36,250	34,842	52,425
Gain on sale of tangible capital assets	87,000	105,577	56,658
<b>Total revenue</b>	<b>27,301,274</b>	<b>28,165,757</b>	<b>27,353,863</b>
<b>Expenses:</b>			
General government	3,259,752	3,487,972	3,096,734
Protection services	300,280	206,161	192,343
Transportation services	6,894,201	10,480,305	8,672,053
Health services	8,005,634	8,275,933	7,382,680
Social and family services	1,995,686	1,720,686	1,819,732
Recreational and cultural services	1,214,987	1,235,565	1,176,500
Planning and development	1,718,794	1,781,119	1,213,304
<b>Total expenses</b>	<b>23,389,334</b>	<b>27,187,741</b>	<b>23,553,346</b>
<b>Annual surplus</b>	<b>3,911,940</b>	<b>978,016</b>	<b>3,800,517</b>
<b>Accumulated surplus, beginning of year</b>	<b>47,165,265</b>	<b>47,165,265</b>	<b>43,364,748</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 51,077,205</b>	<b>\$ 48,143,281</b>	<b>\$ 47,165,265</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, 2022, with comparative information for 2021

	Budget 2022 (note 10)	Actual 2022	Actual 2021
Annual surplus	\$ 3,911,940	\$ 978,016	\$ 3,800,517
Acquisition of tangible capital assets	(10,034,662)	(9,863,481)	(6,285,220)
Amortization of tangible capital assets	5,115,232	5,115,232	4,284,677
Gain on sale of tangible capital assets	(87,000)	(105,577)	(56,658)
Proceeds on sale of tangible capital assets	87,000	251,618	58,152
Acquisition of prepaid expenses	-	(102,096)	(34,863)
Utilization of prepaid expenses	-	34,863	140,807
Change in net financial assets	(1,007,490)	(3,691,425)	1,907,412
Net financial assets, beginning of year	3,953,366	3,953,366	2,045,954
Net financial assets, end of year	\$ 2,945,876	\$ 261,941	\$ 3,953,366

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, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 978,016	\$ 3,800,517
Items not involving cash:		
Amortization of tangible capital assets	5,115,232	4,284,677
Gain on sale of tangible capital assets	(105,577)	(56,658)
	5,987,671	8,028,536
Change in non-cash assets and liabilities:		
Increase in accounts receivable	(88,817)	(663,171)
Increase (decrease) in deferred revenue	(203,805)	261,686
Decrease (increase) in prepaid expenses	(67,233)	105,944
Increase in employee future benefits	30,100	24,300
Increase payable and accrued liabilities	461,846	1,466,347
Net change in cash from operating activities	6,119,762	9,223,642
Capital activities:		
Proceeds on disposition of tangible capital assets	251,618	58,152
Acquisition of tangible capital assets	(9,863,481)	(6,285,220)
Net change in cash from capital activities	(9,611,863)	(6,227,068)
Financing activities:		
Purchase of investments	(24,991)	(4,101,198)
Proceeds on issuance of long-term debt	4,152,931	-
Debt principal repayments	(375,766)	(373,369)
Net change in cash from financing activities	3,752,174	(4,474,567)
Net change in cash and cash equivalents	260,073	(1,477,993)
Cash, beginning of year	4,992,752	6,470,745
Cash, end of year	\$ 5,252,825	\$ 4,992,752

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



# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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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, 2022

## 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
Websites	5

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

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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## 1. Significant accounting policies (continued):

### (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 between 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, 2022

## 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:

	2022		2021	
	Cost	Market	Cost	Market
Equity portfolio	\$ 464,631	\$ 518,158	\$ 444,842	\$ 562,839
High interest savings	5,156,171	5,156,171	5,050,618	5,050,619
Money market portfolio	516,739	515,826	508,829	507,835
Bond portfolio	544,647	480,563	533,599	524,434
	<u>\$ 6,682,188</u>	<u>\$ 6,670,718</u>	<u>\$ 6,537,888</u>	<u>\$ 6,645,727</u>

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

### 3. Accounts receivable:

	2022	2021
Government of Canada	\$ 1,009,116	\$ 788,414
Province of Ontario	58,403	79,883
Other municipalities	378,988	431,579
Other	18,867	76,681
	<u>\$ 1,465,374</u>	<u>\$ 1,376,557</u>

### 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.

	2022	2021
Deferred revenue – Gas Tax	\$ –	\$ 550,686
Deferred revenue – OCIF	346,881	–
	<u>\$ 346,881</u>	<u>\$ 550,686</u>

### 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 2022 were \$769,114 (2021 - \$617,001).

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, 2021.

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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

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

	2022	2021
Balance, beginning of year	\$ 368,200	\$ 343,900
Add: benefit costs	54,500	44,200
Add: Interest costs	12,500	14,700
	435,200	402,800
Less: benefit contributions	(36,900)	(34,600)
Balance, end of year	\$ 398,300	\$ 368,200

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:

	2022	2021
Discount rate	2.60%	2.60%
Dental cost trend rates	4.00%	4.00%
Extended health care trend rates	4.00%	4.00%

## 6. Municipal debt:

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

	2022	2021
Loan payable, 1.38%, repayable monthly at \$25,000 principal plus interest, due 2030	\$ 2,350,000	\$ 2,650,000
Loan payable, 4.24%, repayable monthly at \$207,647 principal plus interest, due 2032	4,152,931	–
Loan payable, 3.24%, repayable in blended semi-annual instalments of \$58,933, due 2035	1,242,395	1,318,161
Net municipal debt	\$ 7,745,326	\$ 3,968,161

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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## 6. Municipal debt (continued):

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

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2023	\$	793,533
2024		796,089
2025		798,728
2026		801,453
2027		804,267
Thereafter		3,751,256
	\$	7,745,326

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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, 2022

## 7. Tangible capital assets:

Cost	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022
Land	\$ 754,228	\$ -	\$ -	\$ 754,228
Building and leasehold improvements	4,516,923	120,907	-	4,637,830
Multi-use trail	260,532	-	-	260,532
Equipment	3,906,531	607,262	(17,937)	4,495,856
Vehicles - licensed	4,848,971	694,489	(430,744)	5,112,716
Vehicles - unlicensed	1,549,992	-	(425,280)	1,124,712
Trailers - unlicensed	144,391	-	-	144,391
Roads infrastructure	99,298,426	4,335,130	-	103,633,556
Bridges	8,574,536	3,308,792	(101,898)	11,781,430
Culverts	2,710,294	796,901	-	3,507,195
<b>Total</b>	<b>\$ 126,564,824</b>	<b>\$ 9,863,481</b>	<b>\$ (975,859)</b>	<b>\$ 135,452,446</b>

Accumulated Amortization	Balance at December 31, 2021	Amortization	Disposals and adjustments	Balance at December 31, 2022
Land	\$ -	\$ -	\$ -	\$ -
Building and leasehold improvements	1,587,048	174,531	-	1,761,579
Multi-use trail	13,027	26,053	-	39,080
Equipment	2,186,436	507,359	(17,939)	2,675,856
Vehicles - licensed	2,776,883	468,258	(425,374)	2,819,767
Vehicles - unlicensed	947,759	67,992	(386,505)	629,246
Trailers - unlicensed	59,338	8,573	-	67,911
Roads infrastructure	72,831,653	3,415,133	-	76,246,786
Bridges	2,208,218	344,437	-	2,552,655
Culverts	777,426	102,896	-	880,322
<b>Total</b>	<b>\$ 83,387,788</b>	<b>\$ 5,115,232</b>	<b>\$ (829,818)</b>	<b>\$ 87,673,202</b>

	Net book value, December 31, 2021	Net book value, December 31, 2022
Land	\$ 754,228	\$ 754,228
Building and land improvements	2,929,875	2,876,251
Multi-use trail	247,505	221,452
Equipment	1,720,095	1,820,000
Vehicles - licensed	2,072,088	2,292,949
Vehicles - unlicensed	602,233	495,466
Trailers - unlicensed	85,053	76,480
Roads surface	26,466,773	27,386,770
Bridges	6,366,318	9,228,775
Culverts	1,932,868	2,626,873
<b>Total</b>	<b>\$ 43,177,036</b>	<b>\$ 47,779,244</b>



# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

## 7. Tangible capital assets (continued):

Cost	Balance at December 31, 2020			Balance at December 31, 2021	
		Additions	Disposals		
Land	\$ 754,228	\$ -	\$ -	\$	754,228
Building and leasehold improvements	4,432,423	84,500	-		4,516,923
Multi-use trail	-	260,532	-		260,532
Equipment	3,276,710	735,522	(105,701)		3,906,531
Vehicles - licensed	4,364,226	679,722	(194,977)		4,848,971
Vehicles - unlicensed	1,351,767	198,225	-		1,549,992
Trailers - unlicensed	144,391	-	-		144,391
Roads infrastructure	96,506,126	2,792,300	-		99,298,426
Bridges	7,264,331	1,310,205	-		8,574,536
Culverts	2,486,080	224,214	-		2,710,294
<b>Total</b>	<b>\$ 120,580,282</b>	<b>\$ 6,285,220</b>	<b>\$ (300,678)</b>	<b>\$</b>	<b>126,564,824</b>

Accumulated Amortization	Balance at December 31, 2020			Balance at December 31, 2021	
		Disposals and adjustments			
Land	\$ -	\$ -	\$ -	\$	-
Building and leasehold improvements	1,422,431	164,617	-		1,587,048
Multi-use trail	-	13,027	-		13,027
Equipment	1,824,392	467,745	(105,701)		2,186,436
Vehicles - licensed	2,581,754	388,612	(193,483)		2,776,883
Vehicles - unlicensed	870,934	76,825	-		947,759
Trailers - unlicensed	51,211	8,127	-		59,338
Roads infrastructure	69,869,370	2,962,283	-		72,831,653
Bridges	2,064,626	143,592	-		2,208,218
Culverts	717,577	59,849	-		777,426
<b>Total</b>	<b>\$ 79,402,295</b>	<b>\$ 4,284,677</b>	<b>\$ (299,184)</b>	<b>\$</b>	<b>83,387,788</b>

	Net book value, December 31, 2020		Net book value, December 31, 2021	
Land	\$ 754,228		\$	754,228
Building and land improvements	3,009,992			2,929,875
Multi-use trail	-			247,505
Equipment	1,452,318			1,720,095
Vehicles - licensed	1,782,472			2,072,088
Vehicles - unlicensed	480,833			602,233
Trailers - unlicensed	93,180			85,053
Roads surface	26,636,756			26,466,773
Bridges	5,199,705			6,366,318
Culverts	1,768,503			1,932,868
<b>Total</b>	<b>\$ 41,177,987</b>		<b>\$</b>	<b>43,177,036</b>

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

## 8. Accumulated surplus:

	2022	2021
Internal current and capital funds	\$ 260,731	\$ 89,958
Invested in tangible capital assets (note 7)	47,779,244	43,177,036
Municipal debt to be recovered in future (note 6)	(7,745,326)	(3,968,161)
Reserve/reserve fund balances	8,246,932	8,234,632
Unfunded employee post-retirement benefits (note 5)	(398,300)	(368,200)
Accumulated surplus	\$ 48,143,281	\$ 47,165,265

## 9. Contingencies 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, 2022 of \$Nil (2021 - \$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.

## 10. Budget amounts:

The budget adopted by the County on February 23, 2022, 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.

	2022
Budgeted surplus for the year as per financial statements	\$ 3,911,940
Add:	
Transfers from reserve	2,440,525
Proceeds on issuance of long-term debt	5,100,000
Less:	
Capital expenditures	(10,034,662)
Transfer to reserves	(707,037)
Principal repayments of long-term debt	(710,766)
Budgeted use of surplus	\$ —

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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## 11. Public sector salary disclosure:

During 2022, nineteen employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the County.

## 12. Comparative information:

Certain comparative information have been reclassified to conform to the consolidated financial statement presentation adopted for 2022.

## 13. 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.

### *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.

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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## 13. Segmented information (continued):

### *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 13 - Segmented Information (continued)

Year ended December 31, 2022

	General Government	Protection Services	Transportation Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	2022
<b>Revenue:</b>								
Requisition on local municipalities	\$ 2,888,056	237,280	8,886,010	4,219,058	2,049,923	1,140,752	1,539,062	\$ 20,960,141
Government grants - federal	-	-	1,123,526	-	-	1,500	88,343	1,213,369
Government grants - provincial	184,803	-	310,044	4,075,991	-	120,353	4,899	4,696,090
User fees and services charges	367,815	29,220	221,739	210,675	-	9,026	204,243	1,042,718
Investment income	107,498	-	-	-	-	-	5,522	113,020
Donations and other	-	-	-	-	-	33,618	1,224	34,842
Gain on sale of tangible capital assets	-	-	104,866	711	-	-	-	105,577
	3,548,172	266,500	10,646,185	8,506,435	2,049,923	1,305,249	1,843,293	28,165,757
<b>Expenses:</b>								
Salaries and benefits	1,767,815	48,599	2,554,648	5,980,591	-	910,185	981,916	12,243,754
Materials, supplies and services	715,309	66,064	3,167,578	914,439	-	196,146	437,351	5,496,887
Contracted services	48,835	91,498	430,203	141,609	-	5,190	166,694	884,029
Interest on long-term debt	-	-	34,670	41,486	-	-	-	76,156
Amortization	180,245	-	4,293,206	346,690	-	109,933	185,158	5,115,232
Rents and financial	35,578	-	-	-	-	14,111	-	49,689
Interfunction	(315,766)	-	-	315,766	-	-	-	-
Transfers to other entities	1,055,956	-	-	535,352	1,720,686	-	10,000	3,321,994
	3,487,972	206,161	10,480,305	8,275,933	1,720,686	1,235,565	1,781,119	27,187,741
Annual surplus (deficit)	\$ 60,200	60,339	165,880	230,502	329,237	69,684	62,174	\$ 978,016

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Note 13 - Segmented Information (continued)

Year ended December 31, 2022

	General Government	Protection Services	Transportation Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	2021
<b>Revenue:</b>								
Requisition on local municipalities	\$ 2,507,803	231,231	9,128,385	3,702,216	1,963,660	1,042,333	1,474,042	\$ 20,049,670
Government grants - federal	-	-	666,295	-	-	-	66,069	732,364
Government grants - provincial	1,572,590	-	365,755	3,223,287	-	120,353	39,054	5,321,039
User fees and services charges	211,572	32,055	178,950	433,486	-	1,514	147,440	1,005,017
Investment income	125,645	-	-	-	-	-	11,045	136,690
Donations and other	-	-	-	-	-	51,627	798	52,425
Gain on sale of tangible capital assets	-	-	56,658	-	-	-	-	56,658
	4,417,610	263,286	10,396,043	7,358,989	1,963,660	1,215,827	1,738,448	27,353,863
<b>Expenses:</b>								
Salaries and benefits	1,333,997	46,456	2,358,198	5,447,299	-	883,988	772,461	10,842,399
Materials, supplies and services	600,181	41,402	2,350,819	714,721	-	169,054	302,753	4,178,930
Contracted services	141,170	104,485	377,377	7,100	-	4,928	14,468	649,528
Interest on long-term debt	-	-	38,810	43,902	-	-	-	82,712
Amortization	163,883	-	3,546,849	355,902	-	104,421	113,622	4,284,677
Rents and financial	12,666	-	-	-	-	14,109	-	26,775
Interfunction	(303,897)	-	-	303,897	-	-	-	-
Transfers to other entities	1,148,734	-	-	509,859	1,819,732	-	10,000	3,488,325
	3,096,734	192,343	8,672,053	7,382,680	1,819,732	1,176,500	1,213,304	23,553,346
Annual surplus	\$ 1,320,876	70,943	1,723,990	(23,691)	143,928	39,327	525,144	\$ 3,800,517