

Consolidated Financial Statements

**THE CORPORATION OF THE  
COUNTY OF HALIBURTON**

And Independent Auditor's Report thereon

Year ended December 31, 2025

## **Management's Responsibility for the Consolidated Financial Statements**

The accompanying consolidated financial statements of the Corporation of the County of Haliburton (the "County") are the responsibility of the County's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The County's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the County. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.



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Chief Administrative Officer



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Treasurer



**KPMG LLP**  
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Canada  
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## **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, 2025;
- the consolidated statement of operations and accumulated operating surplus for the year then ended;
- the consolidated statement of change in net financial assets for the year then ended;
- the consolidated statement of remeasurement gains 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, 2025, 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 County'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.

- 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

May 28, 2026

# THE CORPORATION OF THE COUNTY OF HALIBURTON

## Consolidated Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
<b>Financial Assets</b>		
Cash	\$ 1,239,560	\$ 739,507
Investments (note 3)	12,792,668	13,641,095
Accounts receivable (note 4)	1,776,187	882,393
	<u>15,808,415</u>	<u>15,262,995</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	4,423,620	4,939,910
Deferred revenue (note 5)	10,000	427,362
Employee post-retirement benefits (note 6)	433,358	420,463
Municipal debt (note 7)	5,356,976	6,155,704
Asset retirement obligation (note 9)	120,000	120,000
	<u>10,343,954</u>	<u>12,063,439</u>
Net financial assets	5,464,461	3,199,556
<b>Non-financial Assets</b>		
Tangible capital assets (note 8)	46,607,406	47,123,008
Prepaid expenses	54,355	142,033
	<u>46,661,761</u>	<u>47,265,041</u>
Contingencies and commitments (note 11)		
Accumulated surplus	\$ 52,126,222	\$ 50,464,597
Accumulated surplus is comprised of:		
Accumulated operating surplus (note 10)	\$ 51,962,017	\$ 50,359,288
Accumulated rereasurement gains	164,205	105,309
	<u>\$ 52,126,222</u>	<u>\$ 50,464,597</u>

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 Operating Surplus

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget (note 12)	2025 Actual	2024 Actual
<b>Revenue:</b>			
Requisition on local municipalities	\$ 25,528,643	\$ 25,655,987	\$ 23,843,649
Government grants - Federal	673,703	698,703	662,496
Government grants - Provincial	5,793,604	6,705,552	4,775,154
User fees and service charges	780,790	1,226,929	840,741
<b>Other:</b>			
Investment income	120,000	425,968	557,761
Donations and other	2,203,019	124,544	50,277
Gain on sale of tangible capital assets	40,000	16,999	54,610
<b>Total revenue</b>	<b>35,139,759</b>	<b>34,854,682</b>	<b>30,784,688</b>
<b>Expenses:</b>			
General government	4,722,424	5,178,197	4,243,093
Protection services	280,721	224,961	244,454
Transportation services	12,575,900	11,595,584	10,763,805
Health services	10,233,371	10,143,203	9,278,635
Social and family services	2,750,529	2,655,544	2,054,475
Recreational and cultural services	1,408,515	1,341,850	1,252,023
Planning and development	1,786,351	1,612,614	1,668,932
<b>Total expenses</b>	<b>33,757,811</b>	<b>32,751,953</b>	<b>29,505,417</b>
<b>Annual surplus before undernoted item</b>	<b>1,381,948</b>	<b>2,102,729</b>	<b>1,279,271</b>
<b>Contribution to Haliburton Highlands Health Services Foundation (note 11)</b>			
	(500,000)	(500,000)	(500,000)
<b>Annual surplus</b>	<b>881,948</b>	<b>1,602,729</b>	<b>779,271</b>
<b>Accumulated operating surplus, beginning of year</b>	<b>50,359,288</b>	<b>50,359,288</b>	<b>49,580,017</b>
<b>Accumulated operating surplus, end of year</b>	<b>\$ 51,241,236</b>	<b>\$ 51,962,017</b>	<b>\$ 50,359,288</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, 2025, with comparative information for 2024

	2025 Budget (note 12)	2025 Actual	2024 Actual
Annual surplus	\$ 881,948	\$ 1,602,729	\$ 779,271
Acquisition of tangible capital assets	(6,858,018)	(5,727,814)	(4,618,576)
Amortization of tangible capital assets	6,232,553	6,232,553	5,894,526
Gain on sale of tangible capital assets	(40,000)	(16,999)	(54,610)
Proceeds on sale of tangible capital assets	40,000	27,862	110,895
Unrealized investment gains	-	58,896	41,807
Acquisition of prepaid expenses	-	(54,355)	(142,033)
Utilization of prepaid expenses	-	142,033	118,859
Change in net financial assets	256,483	2,264,905	2,130,139
Net financial assets, beginning of year	5,464,461	3,199,556	1,069,417
Net financial assets, end of year	\$ 5,720,944	\$ 5,464,461	\$ 3,199,556

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

# THE CORPORATION OF THE COUNTY OF HALIBURTON

## Consolidated Statement of Remeasurement Gains

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Accumulated remeasurement gains, beginning of year	\$ 105,309	\$ 63,502
Net remeasurement gains for the year	58,896	41,807
Accumulated remeasurement gains, end of year	\$ 164,205	\$ 105,309

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, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,602,729	\$ 779,271
Items not involving cash:		
Amortization of tangible capital assets	6,232,553	5,894,526
Gain on sale of tangible capital assets	(16,999)	(54,610)
	7,818,283	6,619,187
Change in non-cash assets and liabilities:		
Accounts receivable	(893,794)	418,952
Deferred revenue	(417,362)	427,362
Prepaid expenses	87,678	(23,174)
Employee future benefits	12,895	2,963
Account payable and accrued liabilities	(516,290)	1,840,060
Net change in cash from operating activities	6,091,410	9,285,350
Capital activities:		
Proceeds on disposition of tangible capital assets	27,862	110,895
Acquisition of tangible capital assets	(5,727,814)	(4,618,576)
Net change in cash from capital activities	(5,699,952)	(4,507,681)
Financing activities:		
Net change in investments	848,427	(6,071,926)
Unrealized gain on investments	58,896	41,807
Debt principal repayments	(798,728)	(796,089)
Net change in cash from financing activities	108,595	(6,826,208)
Net change in cash	500,053	(2,048,539)
Cash, beginning of year	739,507	2,788,046
Cash, end of year	\$ 1,239,560	\$ 739,507

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, 2025

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The Corporation of the County of Haliburton (the "County") is an upper-tier municipality 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:

Government transfers are transfers from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. A transfer with eligibility criteria is recognized as revenue when the transfer is authorized and all eligibility criteria have been met. A transfer with or without eligibility criteria but with stipulations is recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except where and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the County.

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.

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

#### (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, 2025

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## 1. Significant accounting policies (continued):

### (d) 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

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

### (e) Investments:

Investments consist of authorized investments pursuant to provisions of the Municipal Act and are comprised of bonds, equities and amounts held in high income savings accounts.

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.

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

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## 1. Significant accounting policies (continued):

### (f) 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 with approximately 640,000 members. 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.

As of December 31, 2025, OMERS had a reported funding deficit of \$ 1.3 billion (2024 - \$2.9 billion).

### (g) 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.

### (h) 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, 2025

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## 1. Significant accounting policies (continued):

### (i) Use of estimates:

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 accounts receivable, useful lives for tangible capital assets, asset retirement obligations and employee future benefits. 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.

### (j) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that the future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

The liability for asset retirement obligations has been recognized based on estimated future expenses. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the amortization accounting policies outlined in note 1(d).

### (k) Financial instruments:

Financial instruments are initially recorded on the statement of financial position at fair market value. Management has elected to record investments in equities and bonds at fair market value as they are managed and evaluated on a fair value basis and are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the consolidated statement of remeasurement gains and losses.

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

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## 1. Significant accounting policies (continued):

### (k) Financial instruments (continued):

Financial instruments are classified into fair value hierarchy Levels 1, 2 or 3 for the purposes of describing the basis of the inputs used to determine the fair market value of those amounts recorded at fair value, as described below:

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair market value are expensed as incurred.

When a decline in fair value is determined to be other than temporary, the amount of the loss is removed from the statement of remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from accumulated remeasurement gains and losses and recognized in the statement of operations.

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

### 3. Portfolio investments:

	2025 Cost	2025 Market	2024 Cost	2024 Market
Equity portfolio	\$ 684,736	\$ 887,441	\$ 589,015	\$ 732,279
High interest savings	11,355,600	11,355,600	12,374,775	12,374,775
Bond portfolio	588,127	549,627	571,996	534,041
	<u>\$12,628,463</u>	<u>\$12,792,668</u>	<u>\$13,535,786</u>	<u>\$13,641,095</u>

### 4. Accounts receivable:

	2025	2024
Government of Canada	\$ 685,858	\$ 366,717
Other municipalities	300,254	200,591
Other	790,075	315,085
	<u>\$ 1,776,187</u>	<u>\$ 882,393</u>

### 5. 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.

	2025	2024
Deferred revenue – Ontario Community Infrastructure Fund	\$ –	\$ 427,362
Deferred revenue – PEER Review Fund	10,000	–
	<u>\$ 10,000</u>	<u>\$ 427,362</u>

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

## 6. Employee post-retirement benefits:

OMERS provides pension services to approximately 640,000 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 2025 were \$951,377 (2024 - \$937,598).

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, 2024.

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

	2025	2024
Balance, beginning of year	\$ 420,463	\$ 417,500
Add: Benefit costs	31,263	56,931
Add: Interest costs	16,496	12,434
	468,222	486,865
Less: Benefit contributions	(34,864)	(66,402)
Balance, end of year	\$ 433,358	\$ 420,463

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:

	2025	2024
Discount rate	4.25%	2.25%
Dental cost trend rates	4.00%	4.00%
Extended health care trend rates	6.00%	6.00%

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

## 7. Municipal debt:

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

	2025	2024
Loan payable, 1.38%, repayable monthly at \$25,000 principal plus interest, due 2030	\$ 1,450,000	\$ 1,750,000
Loan payable, 4.24%, repayable in blended semi-annual installments of \$58,933 principal and interest, due 2032	999,924	1,083,359
Loan payable, 3.24%, repayable in semi-annual instalments of \$207,647 principal plus interest, due 2035	2,907,052	3,322,345
<b>Net municipal debt</b>	<b>\$ 5,356,976</b>	<b>\$ 6,155,704</b>

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

2026	\$	801,453
2027		804,267
2028		807,173
2029		810,274
2030		763,273
Thereafter		1,370,536
	\$	5,356,976

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, 2025

## 8. Tangible capital assets:

Cost	Balance at December 31, 2024	Additions	Disposals and adjustments	Balance at December 31, 2025
Land	\$ 754,228	\$ -	\$ -	\$ 754,228
Building and leasehold improvements	4,856,199	-	(2,575)	4,853,624
Multi-use trailers	265,917	-	-	265,917
Equipment	5,509,195	765,422	(7,080)	6,267,537
Vehicles - licensed	6,213,756	878,017	(231,619)	6,860,154
Vehicles - unlicensed	1,374,003	23,040	-	1,397,043
Trailers - unlicensed	144,391	75,679	(32,521)	187,549
Roads infrastructure	109,376,581	2,664,846	-	112,041,427
Bridges	13,077,255	855,916	-	13,933,171
Culverts	3,508,327	-	-	3,508,327
Assets under construction	-	464,894	-	464,894
<b>Total</b>	<b>\$ 145,079,852</b>	<b>\$ 5,727,814</b>	<b>\$ (273,795)</b>	<b>\$ 150,533,871</b>

  

Accumulated Amortization	Balance at December 31, 2024	Amortization	Disposals and adjustments	Balance at December 31, 2025
Land	\$ -	\$ -	\$ -	\$ -
Building and leasehold improvements	2,147,063	212,095	-	2,359,158
Multi-use trailers	92,802	-	-	92,802
Equipment	3,827,143	622,733	(7,080)	4,442,796
Vehicles - licensed	3,139,945	720,089	-	3,860,034
Vehicles - unlicensed	500,653	111,702	(231,619)	380,736
Trailers - unlicensed	84,167	10,472	(24,233)	70,406
Roads infrastructure	83,296,521	3,793,537	-	87,090,058
Bridges	3,702,574	619,069	-	4,321,643
Culverts	1,165,976	142,856	-	1,308,832
<b>Total</b>	<b>\$ 97,956,844</b>	<b>\$ 6,232,553</b>	<b>\$ (262,932)</b>	<b>\$ 103,926,465</b>

  

	Net book value, December 31, 2024	Net book value, December 31, 2025
Land	\$ 754,228	\$ 754,228
Building and land improvements	2,709,136	2,494,466
Multi-use trail	173,115	173,115
Equipment	1,682,052	1,824,741
Vehicles - licensed	3,073,811	3,000,120
Vehicles - unlicensed	873,350	1,016,307
Trailers - unlicensed	60,224	117,143
Roads surface	26,080,060	24,951,369
Bridges	9,374,681	9,611,528
Culverts	2,342,351	2,199,495
Assets under construction	-	464,894
<b>Total</b>	<b>\$ 47,123,008</b>	<b>\$ 46,607,406</b>

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

## 8. Tangible capital assets (continued):

Cost	Balance at December 31, 2023	Additions	Disposals and adjustments	Balance at December 31, 2024
Land	\$ 754,228	\$ -	\$ -	\$ 754,228
Building and leasehold improvements	4,742,768	121,500	(8,069)	4,856,199
Multi-use trailers	265,917	-	-	265,917
Equipment	5,004,902	515,885	(11,592)	5,509,195
Vehicles - licensed	5,791,313	710,668	(288,225)	6,213,756
Vehicles - unlicensed	1,272,437	337,078	(235,512)	1,374,003
Trailers - unlicensed	144,391	-	-	144,391
Roads infrastructure	106,478,986	2,897,595	-	109,376,581
Bridges	13,041,405	35,850	-	13,077,255
Culverts	3,508,327	-	-	3,508,327
<b>Total</b>	<b>\$ 141,004,674</b>	<b>\$ 4,618,576</b>	<b>\$ (543,398)</b>	<b>\$ 145,079,852</b>

Accumulated Amortization	Balance at December 31, 2023	Amortization	Disposals and adjustments	Balance at December 31, 2024
Land	\$ -	\$ -	\$ -	\$ -
Building and leasehold improvements	1,952,984	194,079	-	2,147,063
Multi-use trailers	65,672	27,130	-	92,802
Equipment	3,241,004	586,139	-	3,827,143
Vehicles - licensed	2,815,661	607,879	(283,595)	3,139,945
Vehicles - unlicensed	597,158	107,013	(203,518)	500,653
Trailers - unlicensed	76,038	8,129	-	84,167
Roads infrastructure	79,682,574	3,613,947	-	83,296,521
Bridges	3,095,219	607,355	-	3,702,574
Culverts	1,023,121	142,855	-	1,165,976
<b>Total</b>	<b>\$ 92,549,431</b>	<b>\$ 5,894,526</b>	<b>\$ (487,113)</b>	<b>\$ 97,956,844</b>

	Net book value, December 31, 2023	Net book value, December 31, 2024
Land	\$ 754,228	\$ 754,228
Building and land improvements	2,876,251	2,709,136
Multi-use trail	221,452	173,115
Equipment	1,820,000	1,682,052
Vehicles - licensed	2,292,949	3,073,811
Vehicles - unlicensed	495,466	873,350
Trailers - unlicensed	76,480	60,224
Roads surface	27,386,770	26,080,060
Bridges	9,228,775	9,374,681
Culverts	2,626,873	2,342,351
<b>Total</b>	<b>\$ 47,779,244</b>	<b>\$ 47,123,008</b>

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

## 9. Asset retirement obligation:

The County owns or leases aggregate pits and under the Aggregate Resources Act, the County is required to remediate the pits at the end of their useful life. The County has recognized an obligation relating to the remediation of these aggregate pits, based on the estimated undiscounted cash flows that will be required in the future to remediate the pits in accordance with current legislation.

## 10. Accumulated operating surplus:

	2025	2024
Internal current and capital funds	\$ 1,278,087	\$ 244,337
Invested in tangible capital assets	46,607,406	47,123,008
Municipal debt to be recovered in future	(5,356,976)	(6,155,704)
Reserve and reserve fund balances	9,986,858	9,688,110
Unfunded employee post-retirement benefits	(433,358)	(420,463)
Unfunded asset retirement obligation	(120,000)	(120,000)
Accumulated operating surplus	\$ 51,962,017	\$ 50,359,288

## 11. 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, 2025 of \$Nil (2024 - \$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.

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

## 12. Budget amounts:

Budget data presented in these consolidated financial statements are based on the 2025 budget approved by Council on December 11, 2024. A reconciliation of the approved budget with the budget figures as presented in these consolidated financial statements is provided below.

	2025
Budgeted surplus for the year as per consolidated financial statements	\$ 881,948
Add:	
Transfers from reserve	1,653,112
Amortization expense	6,232,553
Less:	
Capital expenditures	(6,858,018)
Transfer to reserves	(1,110,860)
Principal repayments of long-term debt	(798,735)
<b>Budgeted surplus</b>	<b>\$ –</b>

## 13. Public sector salary disclosure:

During 2025, 35 employees (2024 – 27 employees) were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the County.

## 14. Comparative information:

Certain comparative information has been reclassified to conform to the consolidated financial statement presentation adopted for 2025.

## 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 services revenues and expenses are related to Forestry Bylaw and 911 services.

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

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## 15. Segmented information (continued):

### *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 childcare 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

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

## 15. Segmented information:

	General Government	Protection Services	Transportation Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	2025
<b>Revenue:</b>								
Requisition on local municipalities	\$ 4,715,808	132,279	10,889,858	4,774,939	2,650,529	1,218,079	1,274,495	\$ 25,655,987
Government grants - federal	-	-	673,703	-	-	-	25,000	698,703
Government grants - provincial	312,913	-	806,670	5,464,020	-	120,353	1,596	6,705,552
User fees and services charges	646,077	110,071	216,330	57,627	-	18,108	178,716	1,226,929
Investment income	425,968	-	-	-	-	-	-	425,968
Donations and other	1,460	-	27,273	300	-	7,717	87,794	124,544
Gain on sale of tangible capital assets	-	-	3,608	13,391	-	-	-	16,999
	6,102,226	242,350	12,617,442	10,310,277	2,650,529	1,364,257	1,567,601	34,854,682
<b>Expenses:</b>								
Salaries and benefits	2,841,072	118,050	2,980,435	7,200,660	-	997,375	858,229	14,995,821
Materials, supplies and services	987,270	54,646	3,109,312	1,017,237	-	195,237	437,788	5,801,490
Contracted services	358,427	51,679	305,462	75,661	40,190	11,130	70,248	912,797
Interest on long-term debt	-	-	151,354	33,755	-	-	-	185,109
Amortization	218,467	586	5,107,008	552,869	-	120,937	232,686	6,232,553
Rents and financial	43,803	-	-	28,924	-	14,412	3,663	90,802
Interfunction allocations	(518,819)	-	(57,987)	574,047	-	2,759	-	-
Transfers to other entities	1,247,977	-	-	660,050	2,615,354	-	10,000	4,533,381
	5,178,197	224,961	11,595,584	10,143,203	2,655,544	1,341,850	1,612,614	32,751,953
Annual surplus (deficit) before undernoted item	924,029	17,389	1,021,858	167,074	(5,015)	22,407	(45,013)	2,102,729
<b>Contribution to Haliburton Highlands Health Services Foundation</b>								
	(500,000)	-	-	-	-	-	-	(500,000)
Annual surplus (deficit)	\$ 424,029	17,389	1,021,858	167,074	(5,015)	22,407	(45,013)	\$ 1,602,729

# THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

## 15. Segmented information (continued):

	General Government	Protection Services	Transportation Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	2024
<b>Revenue:</b>								
Requisition on local municipalities	\$ 4,341,371	124,271	9,969,893	4,757,243	2,150,072	1,210,051	1,290,748	\$ 23,843,649
Government grants - federal	-	-	655,679	-	-	-	6,817	662,496
Government grants - provincial	148,706	-	35,850	4,447,925	-	120,353	22,320	4,775,154
User fees and services charges	275,249	128,399	124,062	126,258	-	8,388	183,830	846,186
Investment income	557,761	-	-	-	-	-	-	557,761
Donations and other	-	-	33,449	-	-	11,383	-	44,832
Gain on sale of tangible capital assets	-	-	54,610	-	-	-	-	54,610
	5,323,087	252,670	10,873,543	9,331,426	2,150,072	1,350,175	1,503,715	30,784,688
<b>Expenses:</b>								
Salaries and benefits	2,388,086	131,141	2,609,809	6,533,147	-	932,077	862,471	13,456,731
Materials, supplies and services	840,143	64,959	2,610,077	1,097,144	-	175,277	446,880	5,234,480
Contracted services	169,324	47,768	395,719	68,556	7,530	12,341	90,685	791,923
Interest on long-term debt	-	-	247,560	36,415	-	-	-	283,975
Amortization	198,055	586	4,900,640	418,827	-	118,217	255,233	5,891,558
Rents and financial	47,216	-	-	27,819	-	14,111	3,663	92,809
Interfunction allocations	(472,335)	-	-	472,335	-	-	-	-
Transfers to other entities	1,072,604	-	-	624,392	2,046,945	-	10,000	3,753,941
	4,243,093	244,454	10,763,805	9,278,635	2,054,475	1,252,023	1,668,932	29,505,417
Annual surplus (deficit) before undernoted ite	1,079,994	8,216	109,738	52,791	95,597	98,152	(165,217)	1,279,271
<b>Contribution to Haliburton Highlands Health</b>								
Health Services Foundation	(500,000)	-	-	-	-	-	-	(500,000)
Annual surplus (deficit)	\$ 579,994	8,216	109,738	52,791	95,597	98,152	(165,217)	\$ 779,271