

Consolidated Financial Statements

**THE CORPORATION OF THE
COUNTY OF HALIBURTON**

And Independent Auditor's Report thereon

Year ended December 31, 2024

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.

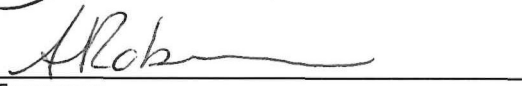
The County's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely 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.



Chief Administrative Officer



Treasurer



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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, 2024;
- 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 and losses 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, 2024, 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'.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

May 31, 2025

THE CORPORATION OF THE COUNTY OF HALIBURTON

Consolidated Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2023	
Financial Assets		
Cash	\$ 739,507	\$ 2,788,046
Investments (note 3)	13,641,095	7,569,169
Accounts receivable (note 4)	882,393	1,301,345
	<u>15,262,995</u>	<u>11,658,560</u>
Financial Liabilities		
Accounts payable and accrued liabilities	4,939,910	3,099,850
Deferred revenue (note 5)	427,362	-
Employee post-retirement benefits (note 6)	420,463	417,500
Municipal debt (note 7)	6,155,704	6,951,793
Asset retirement obligation (note 9)	120,000	120,000
	<u>12,063,439</u>	<u>10,589,143</u>
Net financial assets	3,199,556	1,069,417
Non-financial Assets		
Tangible capital assets (note 8)	47,123,008	48,455,243
Prepaid expenses	142,033	118,859
	<u>47,265,041</u>	<u>48,574,102</u>
Contingencies and commitments (note 11)		
Accumulated surplus	\$ 50,464,597	\$ 49,643,519
Accumulated surplus is comprised of:		
Accumulated operating surplus (note 10)	\$ 50,359,288	\$ 49,580,017
Accumulated rereasurement gains	105,309	63,502
	<u>\$ 50,464,597</u>	<u>\$ 49,643,519</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, 2024, with comparative information for 2023

	2024 Budget (note 12)	2024 Actual	2023 Actual
Revenue:			
Requisition on local municipalities	\$ 23,610,003	\$ 23,843,649	\$ 21,921,054
Government grants - Federal	671,312	662,496	699,862
Government grants - Provincial	5,585,999	4,775,154	6,214,175
User fees and service charges	648,128	840,741	810,988
Other:			
Investment income	120,000	557,761	461,649
Donations and other	22,750	50,277	57,097
Gain on sale of tangible capital assets	40,000	54,610	73,053
Total revenue	30,698,192	30,784,688	30,237,878
Expenses:			
General government	4,368,698	4,243,093	3,862,412
Protection services	274,911	244,454	176,387
Transportation services	10,904,735	10,763,805	10,596,601
Health services	9,491,179	9,278,635	8,808,355
Social and family services	2,185,122	2,054,475	1,978,453
Recreational and cultural services	1,566,106	1,252,023	1,349,028
Planning and development	1,889,106	1,668,932	1,921,375
Total expenses	30,679,857	29,505,417	28,692,611
Annual surplus before undernoted item	18,335	1,279,271	1,545,267
Contribution to Haliburton Highlands Health Services Foundation (note 11)			
	(500,000)	(500,000)	-
Annual surplus (deficit)	(481,665)	779,271	1,545,267
Accumulated operating surplus, beginning of year	49,580,017	49,580,017	48,034,750
Accumulated operating surplus, end of year	\$ 49,098,352	\$ 50,359,288	\$ 49,580,017

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, 2024, with comparative information for 2023

	2024 Budget (note 12)	2024 Actual	2023 Actual
Annual surplus	\$ (481,665)	\$ 779,271	\$ 1,545,267
Acquisition of tangible capital assets	(5,712,445)	(4,618,576)	(6,196,699)
Amortization of tangible capital assets	5,828,387	5,894,526	5,509,993
Gain on sale of tangible capital assets	40,000	(54,610)	(73,053)
Proceeds on sale of tangible capital assets	-	110,895	83,760
Unrealized investment gains	-	41,807	74,971
Acquisition of prepaid expenses	-	(142,033)	(118,859)
Utilization of prepaid expenses	-	118,859	102,096
Change in net financial assets	(325,723)	2,130,139	927,476
Net financial assets, beginning of year	3,199,556	1,069,417	141,941
Net financial assets, end of year	\$ 2,873,833	\$ 3,199,556	\$ 1,069,417

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

THE CORPORATION OF THE COUNTY OF HALIBURTON

Consolidated Statement of Remeasurement Gains and Losses

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Accumulated remeasurement gains (losses), beginning of year	\$ 63,502	\$ (11,469)
Net remeasurement gains for the year	41,807	74,971
Accumulated remeasurement gains, end of year	\$ 105,309	\$ 63,502

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, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 779,271	\$ 1,620,238
Items not involving cash:		
Amortization of tangible capital assets	5,894,526	5,509,993
Gain on sale of tangible capital assets	(54,610)	(73,053)
	6,619,187	7,057,178
Change in non-cash assets and liabilities:		
Accounts receivable	418,952	164,029
Deferred revenue	427,362	(346,881)
Prepaid expenses	(23,174)	(16,763)
Employee future benefits	2,963	19,200
Account payable and accrued liabilities	1,840,060	(1,536,619)
Net change in cash from operating activities	9,285,350	5,340,144
Capital activities:		
Proceeds on disposition of tangible capital assets	110,895	83,760
Acquisition of tangible capital assets	(4,618,576)	(6,196,699)
Net change in cash from capital activities	(4,507,681)	(6,112,939)
Financing activities:		
Net change in investments	(6,071,926)	(973,422)
Unrealized gain on investments	41,807	74,971
Debt principal repayments	(796,089)	(793,533)
Net change in cash from financing activities	(6,826,208)	(1,691,984)
Net change in cash	(2,048,539)	(2,464,779)
Cash, beginning of year	2,788,046	5,252,825
Cash, end of year	\$ 739,507	\$ 2,788,046

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, 2024

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:

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 City.

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, 2024

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

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, 2024

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, 2024, OMERS had a reported funding deficit of \$2.9 billion (2023 - \$4.2 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, 2024

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 earnings 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 Statement of Remeasurement Gains and Losses.

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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.

2. Change in accounting policies:

On January 1, 2024, the County adopted Canadian public accounting standard PS 3400 *Revenue*. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and measurement. The County has determined that the adoption of this new standard did not have an impact on the amounts presented in the financial statements.

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

3. Portfolio investments:

	2024 Cost	2024 Market	2023 Cost	2023 Market
Equity portfolio	\$ 589,015	\$ 732,279	\$ 490,704	\$ 607,373
High interest savings	12,374,775	12,374,775	5,911,431	5,911,431
Money market portfolio	—	—	545,560	539,790
Bond portfolio	571,996	534,041	557,972	510,575
	<u>\$13,535,786</u>	<u>\$13,641,095</u>	<u>\$ 7,505,667</u>	<u>\$ 7,569,169</u>

4. Accounts receivable:

	2024	2023
Government of Canada	\$ 366,717	\$ 458,502
Other municipalities	200,591	301,240
Other	315,085	541,603
	<u>\$ 882,393</u>	<u>\$ 1,301,345</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.

	2024	2023
Deferred revenue – Ontario Community Infrastructure Fund	\$ 427,362	\$ —

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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 2024 were \$937,598 (2023 - \$910,360).

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, 2022.

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

	2024	2023
Balance, beginning of year	\$ 417,500	\$ 398,300
Add: Benefit costs	56,931	75,800
Add: Interest costs	12,434	13,000
	486,865	487,100
Less: benefit contributions	(66,402)	(69,600)
Balance, end of year	\$ 420,463	\$ 417,500

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:

	2024	2023
Discount rate	2.25%	2.60%
Dental cost trend rates	4.00%	4.00%
Extended health care trend rates	6.00%	4.00%

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

7. Municipal debt:

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

	2024	2023
Loan payable, 1.38%, repayable monthly at \$25,000 principal plus interest, due 2030	\$ 1,750,000	\$ 2,050,000
Loan payable, 4.24%, repayable in blended semi-annual installments of \$58,933 principal and interest, due 2032	1,083,359	1,164,155
Loan payable, 3.24%, repayable in semi-annual instalments of \$207,647 principal plus interest, due 2035	3,322,345	3,737,638
Net municipal debt	\$ 6,155,704	\$ 6,951,793

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

2025	\$ 798,728
2026	801,453
2027	804,267
2028	807,173
2029	810,174
Thereafter	2,133,909
	\$ 6,155,704

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, 2024

8. Tangible capital assets:

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
Total	\$ 141,004,674	\$ 4,618,576	\$ (543,398)	\$ 145,079,852

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
Total	\$ 92,549,431	\$ 5,894,526	\$ (487,113)	\$ 97,956,844

	Net book value, December 31, 2023	Net book value, December 31, 2024
Land	\$ 754,228	\$ 754,228
Building and land improvements	2,789,784	2,709,136
Multi-use trail	200,245	173,115
Equipment	1,763,898	1,682,052
Vehicles - licensed	2,975,652	3,073,811
Vehicles - unlicensed	675,279	873,350
Trailers - unlicensed	68,353	60,224
Roads surface	26,796,412	26,080,060
Bridges	9,946,186	9,374,681
Culverts	2,485,206	2,342,351
Total	\$ 48,455,243	\$ 47,123,008

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

8. Tangible capital assets (continued):

Cost	Balance at December 31, 2022	Additions	Disposals and adjustments	Balance at December 31, 2023
Land	\$ 754,228	\$ -	\$ -	\$ 754,228
Building and leasehold improvements	4,637,830	104,938	-	4,742,768
Multi-use trail	260,532	5,385	-	265,917
Equipment	4,495,856	509,046	-	5,004,902
Vehicles - licensed	5,112,716	1,245,447	(566,850)	5,791,313
Vehicles - unlicensed	1,158,439	225,346	(111,348)	1,272,437
Trailers - unlicensed	144,391	-	-	144,391
Roads infrastructure	103,633,556	2,845,430	-	106,478,986
Bridges	11,781,430	1,259,975	-	13,041,405
Culverts	3,507,195	1,132	-	3,508,327
Total	\$ 135,486,173	\$ 6,196,699	\$ (678,198)	\$ 141,004,674

Accumulated Amortization	Balance at December 31, 2022	Amortization	Disposals and adjustments	Balance at December 31, 2023
Land	\$ -	\$ -	\$ -	\$ -
Building and leasehold improvements	1,761,579	191,405	-	1,952,984
Multi-use trail	39,080	26,592	-	65,672
Equipment	2,675,856	565,148	-	3,241,004
Vehicles - licensed	2,819,767	518,310	(522,416)	2,815,661
Vehicles - unlicensed	629,246	79,260	(111,348)	597,158
Trailers - unlicensed	67,911	8,127	-	76,038
Roads infrastructure	76,246,786	3,435,788	-	79,682,574
Bridges	2,552,655	542,564	-	3,095,219
Culverts	880,322	142,799	-	1,023,121
Total	\$ 87,673,202	\$ 5,509,993	\$ (633,764)	\$ 92,549,431

	Net book value, December 31, 2022	Net book value, December 31, 2023
Land	\$ 754,228	\$ 754,228
Building and land improvements	2,876,251	2,789,784
Multi-use trail	221,452	200,245
Equipment	1,820,000	1,763,898
Vehicles - licensed	2,292,949	2,975,652
Vehicles - unlicensed	495,466	675,279
Trailers - unlicensed	76,480	68,353
Roads surface	27,386,770	26,796,412
Bridges	9,228,775	9,946,186
Culverts	2,626,873	2,485,206
Total	\$ 47,779,244	\$ 48,455,243

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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:

	2024	2023
Internal current and capital funds	\$ 244,337	\$ 224,672
Invested in tangible capital assets	47,123,008	48,455,243
Municipal debt to be recovered in future	(6,155,704)	(6,951,793)
Reserve and reserve fund balances	9,688,110	8,389,395
Unfunded employee post-retirement benefits	(420,463)	(417,500)
Unfunded asset retirement obligation	(120,000)	(120,000)
Accumulated operating surplus	\$ 50,359,288	\$ 49,580,017

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, 2024 of \$Nil (2023 - \$Nil).

(b) Contribution to Haliburton Highlands Health Services Foundation:

During the year, County Council passed a resolution which allows for a total contribution of \$1 million, payable over a two year period, to Haliburton Highlands Health Services Foundation for the purchase of a new CT scanner and mammography suite. At December 31, 2024, the County has paid \$500,000 towards this commitment.

(c) 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, 2024

12. Budget amounts:

Budget data presented in these consolidated financial statements are based on the 2024 budget approved by Council on March 13, 2024. A reconciliation of the approved budget with the budget figures as presented in these consolidated financial statements is provided below.

	2024
Budgeted deficit for the year as per consolidated financial statements	\$ (481,665)
Add:	
Transfers from reserve	1,769,152
Amortization expense	5,891,558
Less:	
Capital expenditures	(5,712,445)
Transfer to reserves	(670,500)
Principal repayments of long-term debt	(796,100)
Budgeted surplus	\$ —

13. Public sector salary disclosure:

During 2024, 27 employees (2023 – 25 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 have been reclassified to conform to the consolidated financial statement presentation adopted for 2024.

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.

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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 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, 2024

	General Government	Protection Services	Transportation Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	2024
Revenue:								
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	308,515	128,399	123,093	126,258	-	8,388	146,088	840,741
Investment income	557,761	-	-	-	-	-	-	557,761
Donations and other	4,169	-	34,418	-	-	11,384	306	50,277
Gain on sale of tangible capital assets	-	-	54,610	-	-	-	-	54,610
	5,360,522	252,670	10,873,543	9,331,426	2,150,072	1,350,176	1,466,279	30,784,688
Expenses:								
Salaries and benefits	2,388,086	131,141	2,609,809	6,531,860	-	932,077	862,471	13,455,444
Materials, supplies and services	841,934	64,959	2,607,109	1,147,267	-	175,277	446,880	5,283,426
Contracted services	169,324	47,768	395,719	47,539	7,530	12,341	90,685	770,906
Interest on long-term debt	-	-	247,560	36,415	-	-	-	283,975
Amortization	198,055	586	4,903,608	418,827	-	118,217	255,233	5,894,526
Rents and financial	45,425	-	-	-	-	14,111	3,663	63,199
Interfunction	(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 undermoted item	1,117,429	8,216	109,738	52,791	95,597	98,153	(202,653)	1,279,271
Contribution to Haliburton Highlands Health Services Foundation	(500,000)	-	-	-	-	-	-	(500,000)
Annual surplus (deficit)	\$ 617,429	8,216	109,738	52,791	95,597	98,153	(202,653)	\$ 779,271

THE CORPORATION OF THE COUNTY OF HALIBURTON

Note 15 - Segmented Information (continued)

Year ended December 31, 2024

	General Government	Protection Services	Transportation Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	2023
Revenue:								
Requisition on local municipalities	\$ 3,395,045	110,307	9,049,393	4,710,496	2,014,826	1,234,503	1,406,484	\$ 21,921,054
Government grants - federal	697,745	-	2,117	-	-	-	-	699,862
Government grants - provincial	1,041,368	-	(179)	4,852,136	-	120,353	200,497	6,214,175
User fees and services charges	218,370	22,390	161,739	193,732	-	7,952	206,805	810,988
Investment income	461,649	-	-	-	-	-	-	461,649
Donations and other	-	-	29,979	-	-	27,018	100	57,097
Gain on sale of tangible capital assets	-	-	62,053	11,000	-	-	-	73,053
	5,814,177	132,697	9,305,102	9,767,364	2,014,826	1,389,826	1,813,886	30,237,878
Expenses:								
Salaries and benefits	2,109,598	85,512	2,541,353	6,339,961	-	1,001,203	994,213	13,071,840
Materials, supplies and services	776,186	42,685	2,795,389	1,069,946	-	210,167	603,322	5,497,695
Contracted services	72,116	47,897	457,783	22,069	-	10,176	73,575	683,616
Interest on long-term debt	-	-	194,851	38,991	-	-	-	233,842
Amortization	183,944	293	4,607,225	364,957	-	113,309	240,265	5,509,993
Rents and financial	30,909	-	-	-	-	14,173	-	45,082
Interfunction	(367,990)	-	-	367,990	-	-	-	-
Transfers to other entities	1,057,649	-	-	604,441	1,978,453	-	10,000	3,650,543
	3,862,412	176,387	10,596,601	8,808,355	1,978,453	1,349,028	1,921,375	28,692,611
Annual surplus (deficit)	\$ 1,951,765	(43,690)	(1,291,499)	959,009	36,373	40,798	(107,489)	\$ 1,545,267