

The Corporation of Haldimand County
Consolidated Financial Statements
December 31, 2019



The Corporation of Haldimand County
Index to Consolidated Financial Statements
December 31, 2019

FIN-14-2020, Attachment 3

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flow	7
Notes to Consolidated Financial Statements	8 - 27
Library Division - Schedule of Operations	28
Museum Division - Schedule of Operations	29



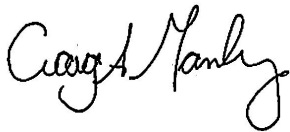
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of The Corporation of Haldimand County have been prepared in accordance with Canadian Public Sector Accounting Standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of The Corporation of Haldimand County's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees, and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Chief Administrative Officer is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements before they are submitted to Council.

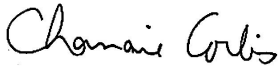
The consolidated financial statements have been audited on behalf of the members of council, inhabitants, and ratepayers of The Corporation of Haldimand County by Millard, Rouse & Rosebrugh LLP, in accordance with Canadian Generally Accepted Auditing Standards.



Craig Manlev, Chief Administrative Officer



Mark Merritt, General Manager of Financial and Data Services -
Chief Financial Officer



Charmaine Corlis, Treasurer

Cayuga, Ontario
November 17, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of Haldimand County,

Opinion

We have audited the consolidated financial statements of The Corporation of Haldimand County (the Organization), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2019, and the results of its operations and its cash flow 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 Consolidated Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Budget figures are provided for comparative purposes and have not been subject to audit procedures. Accordingly, we do not express an opinion regarding the budget figures.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

(continues)

Independent Auditor's Report to the Members of Council, Inhabitants and Ratepayers of The Corporation of Haldimand County (*continued*)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian Generally Accepted Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Organization'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 Organization'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 consolidated 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Millard, Rouse & Rosebrugh LLP

Millard, Rouse & Rosebrugh LLP
Chartered Professional Accountants
Licensed Public Accountants

November 17, 2020
Simcoe, Ontario

The Corporation of Haldimand County
Consolidated Statement of Financial Position
As at December 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash	\$ 6,950,048	\$ 8,502,126
Investments (Note 3)	188,068,384	152,022,079
Taxes receivable	7,087,179	7,741,250
Accounts receivable	11,377,749	10,103,334
Loan receivable (Note 4)	1,914,788	2,121,502
	215,398,148	180,490,291
LIABILITIES		
Accounts payable	21,541,943	19,945,572
Due to trust funds	88,991	121,601
Employee benefits liability (Note 5)	13,854,500	14,219,348
Allowance for assessment adjustments (Note 6)	2,928,369	2,914,209
Deferred revenue (Note 7)	16,063,492	13,755,716
Solid waste landfill closure and post-closure liability (Note 8)	16,133,712	14,053,514
Long-term liabilities (Note 9)	69,956,567	42,528,191
	140,567,574	107,538,151
NET FINANCIAL ASSETS	74,830,574	72,952,140
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	488,476,213	467,684,408
Prepaid expenses	756,671	728,949
Inventory	700,570	658,238
	489,933,454	469,071,595
ACCUMULATED SURPLUS (Note 11)	\$564,764,028	\$542,023,735

See accompanying notes

The Corporation of Haldimand County
Consolidated Statement of Operations and Accumulated Surplus
Year ended December 31, 2019

	Budget 2019	2019	2018
(Note 19)			
REVENUES			
Taxation	\$ 70,770,110	\$ 71,715,542	\$ 68,465,018
Government transfers - Federal (Note 12)	2,786,140	5,876,322	3,926,158
Government transfers - Provincial (Note 13)	17,768,920	17,175,080	17,416,439
Recoveries from other municipalities	2,351,100	2,676,737	2,605,113
User charges	28,574,320	26,479,906	26,450,283
Other income (Note 14)	7,979,620	31,455,997	15,800,716
	130,230,210	155,379,584	134,663,727
Expenses			
General government	8,857,644	8,361,124	7,960,649
Protection services	18,818,309	16,342,222	17,530,049
Transportation services	29,002,437	41,648,451	37,276,352
Environmental services	29,581,161	33,100,918	29,289,899
Health services	8,227,842	7,956,781	8,534,224
Social and family services	12,838,002	12,789,041	12,845,063
Social housing	960,500	915,150	817,133
Recreation and cultural services	10,813,468	9,099,410	10,045,024
Planning and development	2,885,619	2,426,194	3,048,846
	121,984,982	132,639,291	127,347,239
ANNUAL SURPLUS	8,245,228	22,740,293	7,316,488
Accumulated surplus - beginning of year	542,023,735	542,023,735	534,707,247
ACCUMULATED SURPLUS - END OF YEAR	\$550,268,963	\$564,764,028	\$542,023,735

See accompanying notes

The Corporation of Haldimand County
Consolidated Statement of Changes in Net Financial Assets
Year ended December 31, 2019

	Budget 2019	2019	2018
(Note 19)			
ANNUAL SURPLUS	\$ 8,245,228	\$ 22,740,293	\$ 7,316,488
Amortization of tangible capital assets	24,258,872	24,258,872	24,121,621
Purchase of tangible capital assets	(44,237,710)	(46,141,165)	(40,141,808)
Proceeds on disposal of tangible capital assets	-	427,715	367,130
Loss on disposal of tangible capital assets	-	662,773	751,225
Decrease (increase) in prepaid expenses	-	(27,722)	73,278
Decrease (increase) in inventory	-	(42,332)	(141,083)
	(19,978,838)	(20,861,859)	(14,969,637)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(11,733,610)	1,878,434	(7,653,149)
Net financial assets - beginning of year	72,952,140	72,952,140	80,605,289
NET FINANCIAL ASSETS - END OF YEAR	\$ 61,218,530	\$ 74,830,574	\$ 72,952,140

See accompanying notes

The Corporation of Haldimand County

Consolidated Statement of Cash Flow

Year ended December 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Annual surplus	\$ 22,740,293	\$ 7,316,488
Items not affecting cash:		
Amortization of tangible capital assets	24,258,872	24,121,621
Loss on disposal of tangible capital assets	662,773	751,225
	47,661,938	32,189,334
Changes in non-cash working capital:		
Taxes receivable	654,071	216,490
Accounts receivable	(1,274,415)	677,809
Loan receivable	206,714	198,687
Accounts payable	1,596,371	80,458
Due to trust funds	(32,610)	11,849
Employee benefits liability	(364,848)	3,469,012
Allowance for assessment adjustments	14,160	464,143
Deferred revenue	2,307,776	(2,853,035)
Solid waste landfill closure and post-closure liability	2,080,198	95,476
Prepaid expenses	(27,722)	73,278
Inventory	(42,332)	(141,083)
	5,117,363	2,293,084
Cash flow from operating activities	52,779,301	34,482,418
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(46,141,165)	(40,141,808)
Proceeds from sale of tangible capital assets	427,715	367,130
Cash flow used by capital activities	(45,713,450)	(39,774,678)
FINANCING ACTIVITIES		
Long-term debt issued	32,651,250	-
Repayment of long-term debt	(5,222,874)	(5,187,727)
Cash flow from (used by) financing activities	27,428,376	(5,187,727)
INCREASE (DECREASE) IN CASH FLOW	34,494,227	(10,479,987)
Cash - beginning of year	160,524,205	171,004,192
CASH - END OF YEAR	195,018,432	160,524,205
CASH CONSISTS OF:		
Cash	\$ 6,950,048	\$ 8,502,126
Investments	188,068,384	152,022,079
	\$195,018,432	\$160,524,205

See accompanying notes

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

1. INCORPORATION

Effective January 1, 2001, Haldimand County was incorporated as a single-tier municipality. Haldimand County assumed all assets, liabilities, and operations of the former Town of Haldimand and former Town of Dunnville and some of the assets, liabilities, and operations of the former City of Nanticoke and former Regional Municipality of Haldimand-Norfolk.

Based on the recommendations of the provincially appointed arbitrator of the transition and restructuring process, Haldimand County was given the administrative responsibility over investments and long-term liabilities existing as at December 31, 2000, some of which are to be shared with Norfolk County. Haldimand County was also to administer the Tom Howe and Canborough waste disposal sites. Norfolk County was given administrative responsibility as the Consolidated Municipal Service Manager, as well as the Board of Health, for the provision of Public Health and Social Services to both Haldimand County and Norfolk County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The Corporation of Haldimand County are prepared by management in accordance with Canadian Generally Accepted Accounting Principles for Local Governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Significant aspects of the accounting policies adopted by The Corporation of Haldimand County are as follows:

Reporting entity

(i) Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, changes in accumulated surplus, and changes in net financial assets of the reporting entity. The consolidated financial statements include the activities of all committees of Council and local boards, municipal enterprises, and utilities which are owned or controlled by the County. These consolidated financial statements include:

*Haldimand County Public Library Board
Police Services Board
Court of Revision
Committee of Adjustment
Accessibility Advisory Board
Haldimand County Business Development and Planning Advisory Committee
Agricultural Advisory Committee
Heritage Haldimand Advisory Committee
Trails Advisory Committee
Museum Advisory Committee
Caledonia Business Improvement Area
Dunnville Business Improvement Area
Hagersville Business Improvement Area*

All inter-departmental and inter-organizational transactions and balances between these organizations have been eliminated.

(continues)

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(ii) *Joint local boards*

As explained in Note 1, Norfolk County has been given administrative responsibility for the following joint local board:

Joint Health and Social Services Advisory Committee

Amounts paid to Norfolk County for Haldimand County's proportionate share of health, social, and family services, and social housing are recorded as an expense on the Consolidated Statement of Operations.

(iii) *Accounting for school board transactions*

The taxation, other revenue, expenses, assets, and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements. The taxation revenue collected and remitted on behalf of the school boards amounted to \$15,358,319 (2018 - \$15,211,493).

(iv) *Trust funds*

Trust funds and their related operations administered by the municipality are not consolidated and have their own separate audited financial statements.

(v) *Provincial offences fines*

Haldimand County administers the Provincial Offences Act (POA) on behalf of the Ministry of the Attorney General for the Haldimand County Court Service Area.

Fine revenue is recognized as the fine payment is received. Fine revenue includes all monies received less payments made to other municipalities for monies received on their behalf, less payments made to the Ministry of the Attorney General for victim fine surcharges and dedicated fines. Revenue also includes outstanding transfers of fine receipts collected by other municipalities.

A receivable for the value of fines issued but unpaid as at the year-end date amounts to \$7,477,358 (2018 - \$7,634,577) and is not recorded in these consolidated financial statements. Included in this figure is an amount in arrears transferred from the Province in 2001 approximating \$1,647,000.

(vi) *Haldimand-Norfolk Housing Corporation*

Bill 128 (the Social Housing Reform Act, 2000) provided for the formation of local housing corporations to be organized under the provisions of the Ontario Business Corporations Act with a municipal service manager as the sole shareholder. The Haldimand-Norfolk Housing Corporation was incorporated under the Ontario Business Corporations Act on December 14, 2000. The Corporation was deemed upon incorporation to have issued 100 common shares to The Corporation of Norfolk County. On July 12, 2001, 40 of those shares were transferred to The Corporation of Haldimand County. Haldimand-Norfolk Housing Corporation financial statements are not consolidated within these financial statements. The Haldimand-Norfolk Housing Corporation have their own audited financial statements reported separately.

(continues)

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Basis of presentation

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Revenue recognition

(i) *Taxation*

Annually, the County bills and collects property tax revenue for municipal levy purposes as well as education taxes on behalf of the local school boards. The County has the authority to levy and collect property taxes under the Municipal Act, 2001.

The amount of the total annual municipal property tax levy is determined each year through Council's approval of the annual operating budget. Municipal tax rates are set annually by Council for each class of property, in accordance with legislation and Council-approved policies, in order to raise the revenue needed to meet operating budget requirements.

The Municipal Property Assessment Corporation (MPAC), a not-for-profit corporation funded by all of Ontario's municipalities, is responsible for property assessments. MPAC provides the current value assessment (CVA) of each property in the returned assessment roll in December of each year. The amount of property tax levied on an individual property is the product of the CVA, the municipal tax rate by class, and the education tax rate by class.

Taxation revenue is recorded at the time tax billings are issued. Additional property tax revenue can be added throughout the year, relating to: newly occupied properties, properties omitted in the December assessment roll, or other MPAC adjustments. Tax revenue can also be reduced if there are reductions in assessment values resulting from property assessment appeals.

(ii) *Government transfers*

Government transfers are recognized as revenues 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 statement of operations as the stipulation liabilities are settled.

(iii) *User charges*

User charges relate to various municipal programs and fees imposed based on specific activities. Examples of user charges include: recreation programs, water, wastewater, and solid waste. Revenue is recognized when the activity is performed or when services are rendered.

(iv) *Developer contributed assets*

Developer contributed assets are recognized in the year that the subdivision has reached preliminary acceptance from the County. Estimated value is provided by the developer with the exception of storm management ponds which is estimated based on acreage.

(v) *Other income*

Other income is recognized in the year that the events giving rise to the revenue occur and the revenue is earned. Amounts received which relate to revenue that will be earned in a future year are deferred and reported as liabilities on the Consolidated Statement of Financial Position.

(continues)

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Tangible capital assets

Tangible capital assets are stated at cost, less accumulated amortization. Costs include 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 donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing the year the asset is available for productive use. Half the normal rate of amortization is recorded in the initial year of productive use. Amortization rates are as follows:

Land improvements	50 years
Buildings and structures	50 to 100 years
Infrastructure	28 to 100 years
Vehicles, machinery, and equipment	5 to 20 years

Investments

Investments are recorded at amortized cost, less any amounts written off to reflect a permanent decline in value. Investments consist of authorized investments pursuant to provisions of the Municipal Act and are comprised of government bonds, GICs, debentures, and money market instruments.

Investment income earned on available current funds, reserves, and reserve funds (other than obligatory funds) are reported 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.

As approved in the Hydro Legacy Fund Policy, starting in 2017, market investment earnings are to be accrued to the Hydro Legacy Fund based on the average yield to maturity. The annual market yield to be accrued is determined annually by the Investment Committee, with advice from the external investment manager. Any accrued investment income to the Hydro Legacy Fund will be offset by the Investment Income Stabilization Reserve and later reconciled as the related growth income matures or is liquidated.

Inventory

Inventory of supplies held for consumption is valued at the lower of cost or replacement value.

Deferred revenue

The municipality receives funds for specific purposes, which are externally restricted by legislation, regulation, or agreement. These restricted funds are not available for general municipal purposes and are recognized as revenue in the fiscal year the funds are used for the specified purpose.

(*continues*)

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period.

Significant items subject to such estimates and assumptions include valuation allowances for taxes receivable, accounts receivable, employee benefits liability, and solid waste landfill closure and post-closure liability. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the year which they become known.

Actual results could differ from management's best estimates as additional information becomes available in the future.

3. INVESTMENTS

Investments, as at December 31, consist of the following:

	<u>2019</u>		<u>2018</u>	
	<u>Market Value</u>	<u>Carrying Value</u>	<u>Market Value</u>	<u>Carrying Value</u>
<u>Fixed income</u>				
Government bonds and GICs	\$ 8,801,998	\$ 8,783,620	\$ 14,277,512	\$ 14,438,176
Money market instruments	888,528	888,457	171,486	171,486
High interest savings	28,396,307	28,396,307	412,417	412,417
Principal protected notes	60,778,505	58,000,000	43,702,395	45,000,000
	98,865,338	96,068,384	58,563,810	60,022,079
<u>Growth/equity investments</u>				
Principal protected notes	92,453,500	92,000,000	93,764,925	92,000,000
	\$191,318,838	\$188,068,384	\$152,328,735	\$152,022,079

Maturity dates on the investments in the portfolio range from 2020 to 2026.

4. LOAN RECEIVABLE

In 2015, Council approved a policy and framework for Front End Financing of Residential Development. Eligible properties, as approved by Council, can receive a loan of up to 50% of the eligible development costs. All approved loans have a maximum term of 10 years and accumulated annual interest at 1% above the County's borrowing rate.

Council has approved one loan agreement to date, the maximum approved loan is \$2,367,096. The term of the loan is for 10 years commencing on October 5, 2017, and bears interest at 4.04%. As at December 31, 2019, the principal amount outstanding is \$1,914,788.

The Corporation of Haldimand County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

5. EMPLOYEE BENEFITS LIABILITY

The municipality provides certain employee benefits which will require funding in future periods and is comprised of the following:

	2019	2018
Vested and non-vested sick leave	\$ 1,027,700	\$ 966,400
Post-employment and post-retirement benefits	2,775,400	2,754,600
Workers' compensation	10,051,400	10,498,348
	\$13,854,500	\$ 14,219,348

The County is liable for vacation days earned by its employees as at December 31, but not taken until a later date. The liability as at December 31, 2019 is estimated at \$342,344 (2018 - \$341,661) and is recorded in accounts payable.

a) Liability for vested and non-vested sick leave benefits

Under the sick leave benefit plan, unused sick leave can be accumulated and some employees may become entitled to a cash payment when they leave the municipality's employment. The amount paid to employees who left the County's employment during the year amounted to \$33,105 (2018 - \$7,616).

A comprehensive actuarial evaluation for the vested and non-vested sick leave benefits liability was conducted as at December 31, 2019. The report includes projections for the years 2020 to 2022.

The estimate of the vested and non-vested sick leave benefits liability, based on the actuarial report, is \$1,027,700 (2018 - \$966,400). The County has established a reserve fund of \$309,178 (2018 - \$330,785) to mitigate some of the future impacts of these obligations; however, vested and non-vested sick leave benefits are unfunded by a balance of \$718,522 (2018 - \$635,615). This unfunded liability is presented in the Consolidated Statement of Financial Position in accumulated surplus (Note 11).

(continues)

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

5. EMPLOYEE BENEFITS LIABILITY (*continued*)

b) Post-employment and post-retirement benefits

Haldimand County provides retirement benefits consisting of health care, dental, and life insurance to qualifying members.

A comprehensive actuarial evaluation for the employee benefits liability was conducted as at December 31, 2019, the report includes projections for the years 2020 to 2022. Significant assumptions used in the actuarial evaluation are:

Discount rate	2.90%
Extended healthcare trend rate	
Initial	5.83%
Ultimate	3.91%
Year ultimate reached	2036
Dental trend rate	4.00%

The estimate of the post-employment and post-retirement benefits liability, based on the actuarial report, is \$2,775,400 (2018 - \$2,754,600). The County has established a reserve fund of \$1,008,981 (2018 - \$879,631) to mitigate some of the future impacts of these obligations; however, post-employment and post-retirement benefits are unfunded by a balance of \$1,766,419 (2018 - \$1,874,969). This unfunded liability is presented in the Consolidated Statement of Financial Position in accumulated surplus (Note 11).

c) Workers' compensation

Haldimand County is self-insured for injured worker benefits with the Workplace Safety and Insurance Board (WSIB) administering the benefits on behalf of the municipality as a Schedule II employer.

The estimate of future benefit costs for WSIB claims based on a comprehensive actuarial evaluation are \$10,051,400 (2018 - \$10,498,348). The County has established a reserve fund of \$7,489,856 (2018 - \$6,839,925) to mitigate some of the future impacts of these obligations; however, WSIB is unfunded by a balance of \$2,561,544 (2018 - \$3,658,423). This unfunded liability is presented in the Consolidated Statement of Financial Position in accumulated surplus (Note 11).

The County also administers a reserve fund, in trust, from the former Regional Municipality of Haldimand-Norfolk, for WSIB, which has a gross amount of \$402,872 (2018 - \$421,510).

6. ALLOWANCE FOR ASSESSMENT ADJUSTMENTS

Haldimand County has included annual allowances to cover the estimated costs of the disposition of various assessment appeals initiated by property owners. The final outcome of these outstanding amounts cannot be determined at this time. However, management believes the ultimate disposition of these appeals will not materially exceed the allowance recorded in these financial statements.

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

7. DEFERRED REVENUE

A requirement of the Public Sector Accounting Principles of the Canadian Institute of Chartered Professional Accountants, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in deferred revenue including obligatory reserve funds of The Corporation of Haldimand County are as follows:

	Opening Balance	Contributions Received	Investment Income	Revenue Recognized	Ending Balance
Parkland	\$ 704,651	\$ 17,250	\$ 25,068	\$ (7,009)	\$ 739,960
Development charges	1,320,325	2,700,448	94,638	(2,948,218)	1,167,193
Building permits	5,064,031	199,163	182,933	(76,400)	5,369,727
Federal gas tax	4,932,119	5,679,078	177,596	(5,402,804)	5,385,989
Provincial OCIF	291,995	2,620,313	35,426	(1,057,498)	1,890,236
Deferred provincial grants	755,781	-	-	-	755,781
Other	686,814	754,606	-	(686,814)	754,606
	\$13,755,716	\$11,970,858	\$ 515,661	\$(10,178,743)	\$16,063,492

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

8. SOLID WASTE LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Tom Howe landfill site is jointly owned by Norfolk County and Haldimand County and, as anticipated, reached its capacity of 2,300,000 cubic metres in October 2015.

Canborough landfill site is also jointly owned by Norfolk County and Haldimand County. The Canborough landfill site was temporarily closed, to be re-opened and used once Tom Howe landfill site reached its capacity. In July 2014, it was decided by both counties that the Canborough landfill site would not be re-opened and would be permanently closed.

The costs of closing and maintaining the landfill sites are shared by both Norfolk County and Haldimand County. It is estimated that Haldimand County's share of the total costs to close and maintain the sites are approximately \$16,133,712. The estimated costs are calculated at net present value. Haldimand County has not designated any specific assets to assist with the cost of closing the sites. However, Haldimand County's share of the capital costs to close the sites have been included in the 10-year Capital Forecast and have been funded from capital reserves. Post-closure activities will continue for 95 years Tom Home landfill site and 77 years for Canborough landfill site.

Key assumptions in determining the liability at December 31, 2019 for the sites are as follows:

Inflation rate	2.0%
Discount rate	4.0%
Estimated time for post-closure site rehabilitation and monitoring:	
- Tom Howe landfill site	95 years
- Canborough landfill site	77 years

	2019	2018
Capital costs upon closure	\$ 487,616	\$ 329,090
Closed landfill site rehabilitation and monitoring	15,646,096	13,724,424
	\$ 16,133,712	\$ 14,053,514

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

9. LONG-TERM LIABILITIES

a) Long-term liabilities reported on the Consolidated Statement of Financial Position is comprised of the following:

	2019	2018
Total long-term liabilities issued or assumed by the municipality and outstanding at the end of the year amounts to:	\$ 69,956,567	\$ 42,535,881
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for Tile Drainage Loans has been assumed by individuals. At the end of the year, the outstanding principal amount is:	-	(7,690)
	\$ 69,956,567	\$ 42,528,191

b) Of the long-term liabilities reported above, principal payments are recoverable from general municipal revenues and are repayable as follows:

2020	\$ 7,552,251
2021	6,788,573
2022	6,806,573
2023	6,827,573
2024	5,963,253
Thereafter	36,018,344
	<u>\$ 69,956,567</u>

The above long-term liabilities have maturity dates ranging from 2020 to 2039 with interest rates varying between 1.20% to 5.27%.

c) The municipality is contingently liable for long-term liabilities with respect to those for which the responsibility for the payment of principal and interest has been assumed by individuals for Tile Drainage Loans. The total amount outstanding as at December 31, 2019 is \$nil (2018 - \$7,690) and is not recorded on the Consolidated Statement of Financial Position.

d) The long-term liabilities in part (a) have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayments and limits prescribed by the Ministry of Municipal Affairs and Housing.

The Corporation of Haldimand County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

10. TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Buildings and Structures	Infrastructure	Vehicles, Machinery and Equipment	Assets under Construction	2019
Cost, beginning of year	\$12,222,029	\$ 68,355,114	\$154,427,243	\$533,124,055	\$ 94,270,546	\$21,658,503	\$884,057,490
Additions	1,936,589	1,597,021	3,937,869	18,444,165	5,221,512	27,496,897	58,634,053
Disposals	(163,393)	(4,846)	(233,431)	(5,275,756)	(2,040,575)	-	(7,718,001)
Transfer to capital assets	-	-	-	-	-	(12,492,888)	(12,492,888)
Cost, end of year	13,995,225	69,947,289	158,131,681	546,292,464	97,451,483	36,662,512	922,480,654
Accumulated amortization, beginning of year	-	32,531,629	48,434,085	292,269,910	43,137,458	-	416,373,082
Amortization	-	1,518,532	3,096,541	14,578,879	5,064,920	-	24,258,872
Disposals	-	(4,846)	(190,823)	(4,485,564)	(1,946,280)	-	(6,627,513)
Accumulated amortization, end of year	-	34,045,315	51,339,803	302,363,225	46,256,098	-	434,004,441
Net carrying amount, end of year	\$13,995,225	\$ 35,901,974	\$106,791,878	\$243,929,239	\$ 51,195,385	\$36,662,512	\$488,476,213

(continues)

The Corporation of Haldimand County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

10. TANGIBLE CAPITAL ASSETS (continued)

	Land	Land Improvements	Buildings and Structures	Infrastructure	Vehicles, Machinery and Equipment	Assets Under Construction	2018
Cost, beginning of year	\$ 9,528,618	\$ 67,716,199	\$153,086,111	\$527,919,539	\$ 87,533,056	\$ 8,866,150	\$854,649,673
Additions	2,928,142	638,915	1,471,504	13,271,330	9,039,564	25,180,665	52,530,120
Disposals	(234,731)		(130,372)	(8,066,814)	(2,302,074)	4,346	(10,729,645)
Transfer to capital assets	-	-	-	-	-	(12,392,658)	(12,392,658)
Cost, end of year	12,222,029	68,355,114	154,427,243	533,124,055	94,270,546	21,658,503	884,057,490
Accumulated amortization, beginning of year	-	31,057,055	45,496,687	284,658,824	40,654,531	-	401,867,097
Amortization	-	1,474,574	3,064,855	14,824,590	4,757,602	-	24,121,621
Disposals	-		(127,457)	(7,213,504)	(2,274,675)	-	(9,615,636)
Accumulated amortization, end of year	-	32,531,629	48,434,085	292,269,910	43,137,458	-	416,373,082
Net carrying amount, end of year	\$12,222,029	\$ 35,823,485	\$105,993,158	\$240,854,145	\$ 51,133,088	\$21,658,503	\$467,684,408

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

11. ACCUMULATED SURPLUS

The Corporation of Haldimand County segregates its accumulated surplus into the following categories:

	2019	2018
Investment in tangible capital assets	\$ 488,476,213	\$ 467,684,408
Long-term liabilities	(69,956,567)	(42,528,191)
Unfinanced capital	2,779,288	(13,979,967)
Net investment in tangible capital assets	421,298,934	411,176,250
BIA surpluses	121,894	95,197
Reserves and reserve funds - Operating		
Contingency	11,551,522	12,211,419
Land sales	1,555,574	2,208,935
Employee benefits insurance	2,273,892	2,127,077
Insurance	1,935,234	1,652,600
Water rate stabilization	1,919,473	1,533,186
Wastewater rate stabilization	3,567,538	2,909,113
Investment income stabilization	5,559,712	(3,329,435)
Other	5,605,415	5,337,548
	33,968,360	24,650,443
Reserves and reserve funds - Capital		
Roads infrastructure	12,963,565	15,372,511
Wastewater	14,080,451	12,169,793
Water	9,397,068	10,516,844
General	8,352,211	6,624,045
Storm sewer	1,150,248	2,343,292
Fire fleet	2,875,930	2,182,903
Other fleet	1,975,946	2,051,000
Other	6,252,511	5,761,106
	57,047,930	57,021,494
Subtotal - Reserves and reserve funds	91,016,290	81,671,937
Hydro legacy fund	83,977,731	79,864,327
Community vibrancy fund	(10,873,496)	(10,982,965)
WSIB reserve fund held jointly with Norfolk County (gross amounts)	402,872	421,510
Unfunded liabilities		
Solid waste landfill closure and post-closure liability	(16,133,712)	(14,053,514)
Post-employment and post-retirement benefits liability	(1,766,419)	(1,874,969)
Vested and non-vested sick leave liability	(718,522)	(635,615)
WSIB	(2,561,544)	(3,658,423)
	(21,180,197)	(20,222,521)
	\$ 564,764,028	\$ 542,023,735

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

12. GOVERNMENT TRANSFERS - FEDERAL

	Budget (Note 19)	2019	2018
Operating			
Conditional	\$ 18,990	\$ 10,937	\$ 32,624
Capital			
Infrastructure funding	-	462,581	95,874
Federal gas tax revenue	2,767,150	5,402,804	3,797,660
	\$ 2,786,140	\$ 5,876,322	\$ 3,926,158

13. GOVERNMENT TRANSFERS - PROVINCIAL

	Budget (Note 19)	2019	2018
Operating			
Ontario Municipal Partnership Fund	\$ 3,912,500	\$ 3,932,300	\$ 3,992,500
Modernization funding	725,000	725,000	-
Conditional	10,511,110	11,187,045	10,899,567
Capital			
Infrastructure funding	2,620,310	1,330,735	2,524,372
	\$ 17,768,920	\$ 17,175,080	\$ 17,416,439

14. OTHER INCOME

	Budget (Note 19)	2019	2018
Licenses, permits, rents, and concessions	\$ 4,246,330	\$ 3,852,509	\$ 3,791,078
Provincial offences and other fines	470,960	702,252	539,597
Penalties and interest on taxes	1,155,000	925,324	1,040,482
Investment income	1,614,380	16,087,121	2,739,220
Development charges earned	-	2,955,228	3,679,717
Developer contributed assets	-	5,389,056	3,801,912
Proceeds from sale of land and other assets	304,720	618,870	347,709
Loss on disposal of tangible capital assets	-	(662,773)	(751,225)
Donations	182,090	328,418	399,192
Other	6,140	1,259,992	213,034
	\$ 7,979,620	\$ 31,455,997	\$ 15,800,716

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

15. CONTRACTUAL OBLIGATIONS

a) Veolia Water Canada (U.S. Filter) (PSG)

Haldimand County has entered into an agreement with Veolia Water Canada for the operation and maintenance of regional wastewater treatment facilities and pumping stations. This contract expires June 30, 2024 and the annual cost of this contract for 2019 was \$2,482,667 (2018 - \$2,408,891).

As well, Haldimand County negotiated an operating and maintenance agreement with Veolia Water Canada for the Central Water System in Nanticoke and the water systems in Dunnville. This contract expired June 30, 2020. The annual cost of this contract for 2019 was \$2,217,826 (2018 - \$2,106,501).

b) Ontario Provincial Police contract

Haldimand County has entered into a five-year agreement with the Solicitor General of Ontario for the provision of police services. The five-year term expires December 31, 2022. The annual cost of this contract for 2019 was \$7,470,280 (2018 - \$7,377,268).

c) Hamilton Water contract

Haldimand County has entered into a twenty-year contract with the City of Hamilton to purchase water for the supply to Caledonia and Cayuga, this contract expires July 31, 2034. In 2019 Haldimand County paid \$2,354,379 (2018 - \$2,114,053) for water under this contract.

d) Halton Cheshire Homes Inc. mortgage guarantee

Haldimand County has entered into a twenty-five year agreement as the guarantor for the mortgage between Halton Cheshire Homes Inc. as mortgagor and Infrastructure Ontario as mortgagee in the amount of \$999,165. As at December 31, 2019, the balance outstanding was \$699,519. This agreement expires August 31, 2036.

e) Landfill sites

Under the terms of an interim agreement between Haldimand County and Norfolk County, Haldimand County is responsible for the two landfill sites within the geographic boundaries of Haldimand County, which are available for the use of both counties. Ownership of all facilities is vested jointly through Provincial legislation and/or asset allocation through the Arbitrator's Report following restructuring.

16. PENSION AGREEMENTS

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefits to be received by the employees based on length of service and rate of pay.

The amount contributed to OMERS for current service is included as an expenditure on the Consolidated Statement of Operations. The amount contributed to OMERS for 2019 was \$2,626,151 (2018 - \$2,529,386). Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the municipality does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements.

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

17. PUBLIC LIABILITY INSURANCE

Haldimand County has a program of risk identification, evaluation, and control to minimize the risk of injury to its employees and to third parties and to minimize the risk of damage to its property and the property of others. It uses a combination of self-insurance and purchased insurance to protect itself financially against the risk that it cannot reasonably control. The municipality has adequate self-insurance coverage. Purchased insurance coverage is in place for claims in excess of these limits to a maximum of \$50,000,000 with the exception of certain environmental liability claims, should such claims arise.

At December 31, 2019, there are outstanding legal and liability claims against Haldimand County, which were assumed from predecessor municipalities. Any insured amounts have not been provided for in the financial statements, as the outcome of the related claim(s) is not in excess of insurance coverage. For claims not covered by purchased insurance, a reserve has been established by Haldimand County (post-restructuring), which has a balance at December 31, 2019 of \$1,935,234 (2018 - \$1,652,600).

18. CONTAMINATED SITES

A contaminated site is an unproductive site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. A liability for remediation of contaminated sites is recognized when the County is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate for the amount can be made. All criteria must be met in order to recognize a liability. As at December 31, 2019, there is no liability recorded in the consolidated financial statements. The County will continue to review contaminated sites on an annual basis and, when the criteria for recognition have been met, a liability will be recorded.

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

19. BUDGET FIGURES

The budget adopted by Council was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis to be used. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the Consolidated Statements of Operations represent the budget adopted by Council with adjustments as follows:

	2019
Budget surplus for the year adopted by Council	\$ -
Add:	
Budgeted transfers to accumulated surplus	32,142,360
Principal payments on debt	5,222,940
Less:	
Budgeted transfers from accumulated surplus	(4,192,080)
Budgeted transfers from capital fund	(669,120)
Amortization	(24,258,872)
Budget surplus per Consolidated Statement of Operations	\$ 8,245,228

20. COMPARATIVE FIGURES

Certain prior year figures have been adjusted to conform with the 2019 financial statement presentation.

21. SUBSEQUENT EVENTS

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian, Ontario, and Municipal governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, and social distancing, have caused material disruption to businesses in Ontario resulting in an economic slowdown. The Federal and Provincial Governments, as well as the Bank of Canada, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, working capital and debt requirements, which may also have a direct impact on the County's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and our business are not known at this time.

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

22. SEGMENTED INFORMATION

The Corporation of Haldimand County is a municipality that provides a wide range of services to its residents. The major services chosen for segmented disclosure are the five departments that consume the greatest amount of the County's total operating expenses. The revenue and expenses reported for each segment includes directly attributable amounts as well as internal charges and recoveries allocated on a reasonable basis.

A description of each major service and the activities each provide are as follows:

General government

The general government includes council and corporate management.

Protection services

The protection services includes fire, police, conservation authority, protection inspection and control, emergency measures, and Provincial Offences Act.

Transportation services

The transportation services department is responsible for the safe and efficient movement of people and goods within Haldimand County. Responsibilities include road construction and maintenance, traffic signals and signs, winter control, developing parking and traffic by-laws, and implementation and maintenance of street lighting.

Environmental services

This segment includes sanitary sewer system, storm sewer system, waterworks system, waste collection and disposal, recycling and administration.

Social and family services

Social and family services includes general assistance for Ontario Works, assistance to aged persons for Grandview Lodge, and child care.

Other services

Other services includes health services, social housing, recreation and cultural services, and planning and development.

(continues)

The Corporation of Haldimand County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

FIN-14-2020, Attachment 3

22. SEGMENTED INFORMATION (continued)

	General Government	Protection Services	Transportation Services	Enviromental Services	Social and Family Services	Other Services	Consolidated 2019
Revenue							
Government transfers - Federal	\$ 5,402,804	\$ -	\$ -	\$ 462,581	\$ -	\$ 10,937	\$ 5,876,322
Government transfers - Provincial	6,042,977	187,494	270,665	809,038	6,641,827	3,223,079	17,175,080
User charges	1,825,351	225,537	47,733	19,389,252	2,810,261	2,181,772	26,479,906
Other revenue [1]	27,753,538	2,230,049	238,032	3,356,572	47,968	506,575	34,132,734
	41,024,670	2,643,080	556,430	24,017,443	9,500,056	5,922,363	83,664,042
Expenses							
Salaries, wages, and benefits	8,113,901	3,564,865	4,859,142	3,943,477	8,184,006	12,398,840	41,064,231
Materials	3,569,067	439,252	3,538,001	6,309,447	1,344,992	1,760,417	16,961,176
Contracted services	2,704,391	8,679,625	15,906,702	16,535,484	1,563,637	1,353,964	46,743,803
External transfers	69,598	727,724	-	-	-	649,233	1,446,555
Financial expenses	644,162	11,615	29,455	21,862	225	77,641	784,960
Interest on long-term liabilities	-	86,311	-	307,103	433,929	552,351	1,379,694
Amortization	557,834	1,127,649	14,334,877	5,113,061	648,582	2,476,869	24,258,872
Interdepartmental charges	(7,297,829)	1,705,181	2,980,274	870,484	613,670	1,128,220	-
	8,361,124	16,342,222	41,648,451	33,100,918	12,789,041	20,397,535	132,639,291
Surplus (deficiency) of revenue over expenses for the year financed by net municipal levy	\$32,663,546	\$(13,699,142)	\$(41,092,021)	\$(9,083,475)	\$(3,288,985)	\$(14,475,172)	\$(48,975,249)
Taxation revenue							71,715,542
Annual surplus							\$ 22,740,293

[1] Other revenue - Includes fines, penalties and interest on taxes, recoveries from other municipalities, investment income, sale of assets, prepaid special charges, and donations.

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

22. SEGMENTED INFORMATION (continued)

	General Government	Protection Services	Transportation Services	Enviromental Services	Social and Family Services	Other Services	Consolidated 2018
Revenue							
Government transfers - Federal	\$ 3,797,660	\$ 5,155	\$ -	\$ 21,460	\$ -	\$ 101,883	\$ 3,926,158
Government transfers - Provincial	5,956,250	169,575	829,036	694,379	6,557,675	3,209,524	17,416,439
User charges	2,125,814	255,580	47,641	19,339,715	2,700,116	1,981,417	26,450,283
Other revenue [1]	9,256,305	2,168,135	3,928,344	2,686,442	26,984	339,619	18,405,829
	21,136,029	2,598,445	4,805,021	22,741,996	9,284,775	5,632,443	66,198,709
Expenses							
Salaries, wages, and benefits	7,474,550	6,225,607	4,938,168	3,631,829	8,111,786	13,251,874	43,633,814
Materials	3,081,134	451,718	2,982,087	5,863,223	1,324,052	1,696,327	15,398,541
Contracted services	2,479,599	7,496,801	12,166,151	13,399,438	1,720,372	2,430,779	39,693,140
External transfers	343,819	584,556	-	-	-	1,054,316	1,982,691
Financial expenses	854,896	9,424	20,704	18,940	393	74,253	978,610
Interest on long-term liabilities	-	98,618	-	355,596	483,019	601,589	1,538,822
Amortization	467,964	1,110,944	14,612,040	4,992,733	640,701	2,297,239	24,121,621
Interdepartmental charges	(6,741,313)	1,552,381	2,557,202	1,028,140	564,740	1,038,850	-
	7,960,649	17,530,049	37,276,352	29,289,899	12,845,063	22,445,227	127,347,239
Surplus (deficiency) of revenue over expenses for the year financed by net municipal levy	\$ 13,175,380	\$ (14,931,604)	\$ (32,471,331)	\$ (6,547,903)	\$ (3,560,288)	\$ (16,812,784)	\$ (61,148,530)
Taxation revenue							68,465,018
Annual surplus							\$ 7,316,488

[1] Other revenue - Includes fines, penalties and interest on taxes, recoveries from other municipalities, investment income, sale of assets, prepaid special charges, and donations.

The Corporation of Haldimand County
Library Division - Schedule of Operations
Year ended December 31, 2019

	Budget 2019	2019	2018
REVENUE			
Government transfers:			
Provincial library operating grant (Ministry of Tourism, Culture, and Sport)	\$ 72,400	\$ 72,400	\$ 72,400
Pay equity	6,800	6,762	6,762
Other	5,910	3,360	5,830
Fees and service charges	24,080	25,067	22,910
Fines	27,500	26,446	26,476
Donations	8,100	7,763	6,585
Other revenue	13,630	17,856	20,492
	158,420	159,654	161,455
EXPENSES			
Salaries, wages, and benefits	1,443,310	1,165,320	1,173,345
Materials and supplies	81,000	65,403	61,355
Services	209,810	174,276	161,862
Rents and financial expenses	126,640	121,508	119,528
	1,860,760	1,526,507	1,516,090
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE UNDERNOTED ITEMS	(1,702,340)	(1,366,853)	(1,354,635)
Transfer from reserves	(131,500)	(96,323)	(96,504)
Transfer to reserves	546,680	846,990	415,599
	415,180	750,667	319,095
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR, FINANCED BY NET MUNICIPAL LEVY	\$ (2,117,520)	\$ (2,117,520)	\$ (1,673,730)

The above financial information is included in the consolidated financial statements of Haldimand County.

See accompanying notes

The Corporation of Haldimand County

Museum Division - Schedule of Operations

Year ended December 31, 2019

	Budget 2019	2019	2018
REVENUE			
Government transfers	\$ 53,540	\$ 45,490	\$ 53,623
Fees and service charges	14,210	10,671	11,744
Donations	16,990	17,332	13,189
	84,740	73,493	78,556
EXPENSES			
Salaries, wages and benefits	329,120	310,573	314,017
Materials and supplies	51,520	44,331	15,480
Services	22,880	22,861	43,394
Rents and financial expenses	990	497	663
	404,510	378,262	373,554
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE UNDERNOTED ITEMS	(319,770)	(304,769)	(294,998)
Transfer from reserves	(5,050)	(3,850)	-
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR FINANCED BY NET MUNICIPAL LEVY	\$ (314,720)	\$ (300,919)	\$ (294,998)

The above financial information is included in the consolidated financial statements of Haldimand County.

See accompanying notes

The Corporation of Haldimand County

Trust Funds - Financial Statements

December 31, 2019



INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants, and Ratepayers of The Corporation of Haldimand County :

Opinion

We have audited the financial statements of the Trust Funds of The Corporation of Haldimand County (the Corporation), which are comprised of the balance sheet as at December 31, 2019, and the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the balance sheet of the Corporation as at December 31, 2019, and the statement of continuity for the year then ended, in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

(continues)

Independent Auditor's Report to the Members of Council, Inhabitants, and Ratepayers of The Corporation of Haldimand County (*continued*)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian Generally Accepted Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian Generally Accepted Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation'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 Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Millard, Rouse & Rosebrugh LLP

Millard, Rouse & Rosebrugh LLP
Chartered Professional Accountants
Licensed Public Accountants

November 17, 2020
Simcoe, Ontario

The Corporation of Haldimand County

Balance Sheet - Trust Funds Year ended December 31, 2019

	Combined Cemetery Perpetual Care	Grandview Bequest Trust	Grandview Comfort Trust	Total 2019	Total 2018
NET ASSETS					
Cash	\$ -	\$ -	\$129,780	\$ 129,780	\$ 129,125
Investments (Note 2)	1,311,780	-	-	1,311,780	1,246,588
Due from (to) Haldimand County	(23,913)	105,882	7,023	88,992	121,601
TOTAL NET ASSETS	\$1,287,867	\$105,882	\$136,803	\$1,530,552	\$1,497,314
TRUST FUND BALANCE	\$1,287,867	\$105,882	\$136,803	\$1,530,552	\$1,497,314

See accompanying notes

The Corporation of Haldimand County

Statement of Continuity - Trust Funds

Year ended December 31, 2019

	Combined Cemetery Perpetual Care	Grandview Bequest Trust	Grandview Comfort Trust	Total 2019	Total 2018
RECEIPTS					
Sale of plots and markers	\$ 38,895	\$ -	\$ -	\$ 38,895	\$ 28,709
Investment income	24,598	3,847	-	28,445	20,952
Resident contributions	-	-	209,934	209,934	179,585
Donations	-	-	-	-	1,000
	63,493	3,847	209,934	277,274	230,246
Disbursements					
Transfer to cemetery operations	24,598	-	-	24,598	19,047
Transfer to County (Note 3)	-	9,275	-	9,275	7,596
Transfer to residents	-	-	210,163	210,163	182,911
	24,598	9,275	210,163	244,036	209,554
NET RECEIPTS (DISBURSEMENTS) FOR THE YEAR					
	38,895	(5,428)	(229)	33,238	20,692
Trust fund balance - beginning of year					
	1,248,972	111,310	137,032	1,497,314	1,476,622
TRUST FUND BALANCE - END OF YEAR					
	\$1,287,867	\$ 105,882	\$ 136,803	\$1,530,552	\$1,497,314

See accompanying notes

The Corporation of Haldimand County

Notes to the Trust Funds Financial Statements

Year ended December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the Trust Funds of the Corporation of Norfolk 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.

Revenue recognition

Sale of plots and markers and resident contributions are recognized as income when earned under the respective contracts, provided the amount is measurable and collection is reasonably assured. Investment income is recognized as it is earned.

Measurement uncertainty

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Actual results could differ from management's best estimates as additional information becomes available in the future.

2. INVESTMENTS

Trust fund investments of \$1,311,780 (2018 - \$1,246,588) reported on the Balance Sheet at cost, have a fair value of \$1,311,780 (2018 - \$1,246,588) at the end of the year.

3. TRANSFER TO COUNTY

During the year, the Grandview Bequest Trust contributed to Haldimand County capital projects that were for the benefit of Grandview residents in the amount of \$9,275 (2018 - \$7,596).

4. STATEMENT OF CASH FLOW

A statement of cash flow has not been provided as the information is readily available in the financial statements provided.