

The Corporation of Haldimand County
Consolidated Financial Statements
December 31, 2021



The Corporation of Haldimand County
Index to Consolidated Financial Statements
December 31, 2021

FIN-14-2022, 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 Mapley, Chief Administrative Officer



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

Cayuga, Ontario
November 1, 2022

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, 2021, 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, 2021, 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.

We draw your attention to Note 20 of the financial statements which describes the effects of the coronavirus disease (COVID-19) on the Organization. Our opinion is not modified in respect of this matter.

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 1, 2022
Simcoe, Ontario

The Corporation of Haldimand County
Consolidated Statement of Financial Position
As at December 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash	\$ 23,167,760	\$ 15,081,071
Investments (Note 3)	209,481,233	180,947,499
Taxes receivable	11,489,392	9,493,256
Accounts receivable	10,586,426	10,758,223
	254,724,811	216,280,049
LIABILITIES		
Accounts payable	18,525,112	15,842,732
Due to trust funds	149,188	126,167
Employee benefits liability (Note 4)	12,090,400	12,956,900
Allowance for assessment adjustments (Note 5)	2,518,955	2,461,120
Deferred revenue (Note 6)	28,747,391	15,388,638
Solid waste landfill closure and post-closure liability (Note 7)	14,985,240	15,541,967
Long-term liabilities (Note 8)	63,964,393	62,404,317
	140,980,679	124,721,841
NET FINANCIAL ASSETS	113,744,132	91,558,208
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	510,945,013	501,912,101
Prepaid expenses	305,957	345,714
Inventory	623,100	691,760
	511,874,070	502,949,575
ACCUMULATED SURPLUS (Note 10)	\$625,618,202	\$594,507,783

See accompanying notes

The Corporation of Haldimand County
Consolidated Statement of Operations and Accumulated Surplus
Year ended December 31, 2021

	Budget 2021	2021	2020
(Note 18)			
REVENUES			
Taxation	\$ 76,699,680	\$ 76,974,328	\$ 73,920,774
Government transfers - Federal (Note 11)	2,956,770	1,027,480	6,371,332
Government transfers - Provincial (Note 12)	17,493,740	22,572,590	25,286,401
Recoveries from other municipalities	2,309,100	2,517,157	2,352,572
User charges	29,606,220	28,261,848	26,853,960
Other income (Note 13)	7,403,130	26,540,842	20,836,645
	136,468,640	157,894,245	155,621,684
Expenses			
General government	11,909,218	8,159,268	9,592,846
Protection services	20,384,816	18,093,745	17,841,176
Transportation services	30,134,954	36,656,505	37,375,000
Environmental services	31,122,324	26,027,087	24,952,824
Health services	9,697,687	9,098,314	8,488,696
Social and family services	13,347,398	13,892,708	13,494,491
Social housing	1,023,600	939,212	799,527
Recreation and cultural services	11,855,983	10,664,755	10,857,808
Planning and development	2,958,087	3,252,232	2,475,561
	132,434,067	126,783,826	125,877,929
ANNUAL SURPLUS	4,034,573	31,110,419	29,743,755
Accumulated surplus - beginning of year	594,507,783	594,507,783	564,764,028
ACCUMULATED SURPLUS - END OF YEAR	\$598,542,356	\$625,618,202	\$594,507,783

See accompanying notes

The Corporation of Haldimand County
Consolidated Statement of Changes in Net Financial Assets
Year ended December 31, 2021

	Budget 2021	2021	2020
(Note 18)			
ANNUAL SURPLUS	\$ 4,034,573	\$ 31,110,419	\$ 29,743,755
Amortization of tangible capital assets	41,867,970	25,061,330	24,891,421
Purchase of tangible capital assets	(47,234,580)	(34,806,004)	(39,058,100)
Proceeds on disposal of tangible capital assets	-	157,042	594,549
Loss on disposal of tangible capital assets	-	554,721	136,242
Decrease in prepaid expenses	-	39,756	410,957
Decrease in inventory	-	68,660	8,810
	(5,366,610)	(8,924,495)	(13,016,121)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(1,332,037)	22,185,924	16,727,634
Net financial assets - beginning of year	91,558,208	91,558,208	74,830,574
NET FINANCIAL ASSETS - END OF YEAR	\$ 90,226,171	\$ 113,744,132	\$ 91,558,208

See accompanying notes

The Corporation of Haldimand County

Consolidated Statement of Cash Flow

Year ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Annual surplus	\$ 31,110,419	\$ 29,743,755
Items not affecting cash:		
Amortization of tangible capital assets	25,061,330	24,891,421
Loss on disposal of tangible capital assets	554,721	136,242
	56,726,470	54,771,418
Changes in non-cash working capital:		
Taxes receivable	(1,996,136)	(2,406,077)
Accounts receivable	171,797	619,526
Loan receivable	-	1,914,788
Accounts payable	2,682,379	(5,699,211)
Due to trust funds	23,021	37,176
Employee benefits liability	(866,500)	(897,600)
Allowance for assessment adjustments	57,835	(467,249)
Deferred revenue	13,358,753	(674,854)
Solid waste landfill closure and post-closure liability	(556,727)	(591,745)
Prepaid expenses	39,756	410,957
Inventory	68,660	8,810
	12,982,838	(7,745,479)
Cash flow from operating activities	69,709,308	47,025,939
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(34,806,004)	(39,058,100)
Proceeds from sale of tangible capital assets	157,042	594,549
Cash flow used by capital activities	(34,648,962)	(38,463,551)
FINANCING ACTIVITIES		
Long-term debt issued	8,348,650	-
Repayment of long-term debt	(6,788,573)	(7,552,250)
Cash flow from (used by) financing activities	1,560,077	(7,552,250)
INCREASE IN CASH FLOW	36,620,423	1,010,138
Cash - beginning of year	196,028,570	195,018,432
CASH - END OF YEAR	\$232,648,993	\$196,028,570
CASH CONSISTS OF:		
Cash	\$ 23,167,760	\$ 15,081,071
Investments	209,481,233	180,947,499
	\$232,648,993	\$196,028,570

See accompanying notes

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2021

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, 2021

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 \$14,127,966 (2020 - \$15,473,223).

(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 \$6,430,971 (2020 - \$7,180,445) 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, 2021

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, 2021

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, money market instruments, high interest savings, step up notes and principal protected notes.

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, 2021

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

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are all other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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 consolidated 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:

	2021		2020	
	Market Value	Carrying Value	Market Value	Carrying Value
<u>Fixed income</u>				
Government bonds and GICs	\$ 5,332,101	\$ 5,256,607	\$ 6,995,224	\$ 6,871,086
Money market instruments	2,921,758	2,921,758	962,224	962,224
High interest savings	18,302,868	18,302,868	23,114,189	23,114,189
Step up note	30,000,000	30,000,000	-	-
Principal protected notes	60,663,610	58,000,000	59,760,360	58,000,000
	117,220,337	114,481,233	90,831,997	88,947,499
<u>Growth/equity investments</u>				
Principal protected notes	111,059,000	95,000,000	95,325,700	92,000,000
	\$228,279,337	\$209,481,233	\$186,157,697	\$180,947,499

Maturity dates on the investments in the portfolio range from 2022 to 2028.

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2021

4. EMPLOYEE BENEFITS LIABILITY

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

	2021	2020
Vested and non-vested sick leave	\$ 1,148,700	\$ 1,074,300
Post-employment and post-retirement benefits	2,833,500	2,800,000
Workers' compensation	8,108,200	9,082,600
	\$ 12,090,400	\$ 12,956,900

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, 2021 is estimated at \$424,175 (2020 - \$398,136) 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 \$nil (2020 - \$11,851).

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 \$1,148,700 (2020 - \$1,074,300). The County has established a reserve fund of \$315,406 (2020 - \$306,096) to mitigate some of the future impacts of these obligations; however, vested and non-vested sick leave benefits are unfunded by a balance of \$833,294 (2020 - \$768,204). This unfunded liability is presented in the Consolidated Statement of Financial Position in accumulated surplus (Note 10).

(continues)

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2021

4. 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 \$2,833,500 (2020 - \$2,800,000). The County has established a reserve fund of \$1,271,599 (2020 - \$1,155,148) to mitigate some of the future impacts of these obligations; however, post-employment and post-retirement benefits are unfunded by a balance of \$1,561,901 (2020 - \$1,644,852). This unfunded liability is presented in the Consolidated Statement of Financial Position in accumulated surplus (Note 10).

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 \$8,108,200 (2020 - \$9,082,600). The County has established a reserve fund of \$9,986,258 (2020 - \$8,456,785) to mitigate the future impacts of these obligations; WSIB is overfunded by a balance of \$1,878,058 (2020 - underfunded by a balance of \$625,815). This overfunded asset is presented in the Consolidated Statement of Financial Position in accumulated surplus (Note 10).

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 \$358,477 (2020 - \$376,350).

5. 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 consolidated financial statements.

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2021

6. 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	\$ 776,545	\$ 29,358	\$ 24,275	\$ -	\$ 830,178
Development charges	3,856,058	11,192,488	248,316	(4,697,198)	10,599,664
Building permits	5,512,359	1,553,295	164,558	(325,674)	6,904,538
Federal gas tax	2,413,334	5,673,985	126,667	(791,000)	7,422,986
Provincial OCIF	1,580,893	2,636,631	46,223	(3,247,209)	1,016,538
Deferred provincial grants	755,781	-	-	-	755,781
Other	493,668	1,217,706	-	(493,668)	1,217,706
	\$ 15,388,638	\$ 22,303,463	\$ 610,039	\$ (9,554,749)	\$ 28,747,391

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2021

7. 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 \$14,985,240. 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 93 years Tom Home landfill site and 75 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	93 years
- Canborough landfill site	75 years

	2021	2020
Capital costs upon closure	\$ 610,222	\$ 467,555
Closed landfill site rehabilitation and monitoring	14,375,018	15,074,412
	\$ 14,985,240	\$ 15,541,967

The Corporation of Haldimand County
Notes to Consolidated Financial Statements
Year ended December 31, 2021

8. LONG-TERM LIABILITIES

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

	2021	2020
Total long-term liabilities issued or assumed by the municipality and outstanding at the end of the year amounts to:	\$ 63,964,393	\$ 62,404,317

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

2022	7,641,438
2023	7,662,438
2024	6,798,118
2025	6,822,118
2026	6,851,118
Thereafter	27,919,163
	<u>\$ 63,694,393</u>

The above long-term liabilities have maturity dates ranging from 2023 to 2039 with interest rates varying between 1.8% to 5.27%

c) 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, 2021

FIN-14-2022, Attachment 3

9. TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Buildings and Structures	Infrastructure	Vehicles, Machinery and Equipment	Assets under Construction	2021
Cost, beginning of year	\$14,314,994	\$ 72,256,810	\$ 175,769,754	\$ 558,565,817	\$ 101,902,786	\$33,969,900	\$ 956,780,061
Additions	360,150	1,891,023	2,771,888	19,525,064	4,311,867	17,255,832	46,115,824
Disposals	-	-	(144,862)	(6,731,043)	(1,469,325)	-	(8,345,230)
Transfer to capital assets	-	-	-	-	-	(11,309,818)	(11,309,818)
Cost, end of year	14,675,144	74,147,833	178,396,780	571,359,838	104,745,328	39,915,914	983,240,837
Accumulated amortization, beginning of year	-	35,522,706	54,738,057	314,339,604	50,267,593	-	454,867,960
Amortization	-	1,618,805	3,640,430	14,491,451	5,310,645	-	25,061,331
Disposals	-	-	(144,862)	(6,126,284)	(1,362,321)	-	(7,633,467)
Accumulated amortization, end of year	-	37,141,511	58,233,625	322,704,771	54,215,917	-	472,295,824
Net carrying amount, end of year	\$14,675,144	\$ 37,006,322	\$ 120,163,155	\$ 248,655,067	\$ 50,529,411	\$39,915,914	\$ 510,945,013

(continues)

The Corporation of Haldimand County
Notes to Consolidated Financial Statements
Year ended December 31, 2021

9. TANGIBLE CAPITAL ASSETS (continued)

	Land	Land Improvements	Buildings and Structures	Infrastructure	Vehicles, Machinery and Equipment	Assets under Construction	2020
Cost, beginning of year	\$13,995,225	\$ 69,947,289	\$ 158,131,681	\$ 546,292,464	\$ 97,451,483	\$36,662,512	\$ 922,480,654
Additions	330,317	2,364,334	17,754,133	15,547,405	5,754,523	21,713,638	63,464,350
Disposals	(10,548)	(54,813)	(116,060)	(3,274,052)	(1,303,220)	-	(4,758,693)
Transfer to capital assets	-	-	-	-	-	(24,406,250)	(24,406,250)
Cost, end of year	14,314,994	72,256,810	175,769,754	558,565,817	101,902,786	33,969,900	956,780,061
Accumulated amortization, beginning of year	-	34,045,315	51,339,803	302,363,225	46,256,098	-	434,004,441
Amortization	-	1,532,204	3,489,760	14,594,001	5,275,456	-	24,891,421
Disposals	-	(54,813)	(91,506)	(2,617,622)	(1,263,961)	-	(4,027,902)
Accumulated amortization, end of year	-	35,522,706	54,738,057	314,339,604	50,267,593	-	454,867,960
Net carrying amount, end of year	\$14,314,994	\$ 36,734,104	\$ 121,031,697	\$ 244,226,213	\$ 51,635,193	\$33,969,900	\$ 501,912,101

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2021

10. ACCUMULATED SURPLUS

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

	2021	2020
Investment in tangible capital assets	\$ 510,945,013	\$ 501,912,101
Long-term liabilities	(63,964,393)	(62,404,317)
Unfinanced capital	3,878,709	(1,759,261)
Net investment in tangible capital assets	450,859,329	437,748,523
BIA surpluses	121,894	121,894
Reserves and reserve funds - Operating		
Contingency	19,505,647	15,637,103
Land sales	2,263,673	2,100,385
Employee benefits insurance	2,695,734	2,609,114
Insurance	1,518,985	1,294,198
Water rate stabilization	3,131,053	2,850,905
Wastewater rate stabilization	2,909,916	1,728,245
Investment income stabilization	2,632,875	2,718,119
Other	6,950,405	6,244,475
	41,608,288	35,182,544
Reserves and reserve funds - Capital		
Roads infrastructure	16,136,063	15,592,659
Wastewater	17,599,794	16,185,174
Water	8,676,333	8,688,157
General	7,993,535	7,673,071
Storm sewer	1,105,747	1,039,582
Fire fleet	4,348,654	3,468,351
Other fleet	2,360,253	2,052,905
Other	8,998,403	8,691,948
	67,218,782	63,391,847
Subtotal - Reserves and reserve funds	108,827,070	98,574,391
Hydro legacy fund	90,050,313	86,586,840
Community vibrancy fund	(9,096,504)	(10,319,377)
WSIB reserve fund held jointly with Norfolk County (gross amounts)	358,477	376,350
Unfunded liabilities		
Solid waste landfill closure and post-closure liability	(14,985,240)	(15,541,967)
Post-employment and post-retirement benefits liability	(1,561,901)	(1,644,852)
Vested and non-vested sick leave liability	(833,294)	(768,204)
WSIB	1,878,058	(625,815)
	(15,502,377)	(18,580,838)
	\$ 625,618,202	\$ 594,507,783

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2021

11. GOVERNMENT TRANSFERS - FEDERAL

	Budget (Note 18)	2021	2020
Operating			
Conditional	\$ 63,840	\$ 198,320	\$ 98,209
Capital			
Infrastructure funding	-	38,160	416,468
Federal gas tax revenue	2,892,930	791,000	5,856,655
	\$ 2,956,770	\$ 1,027,480	\$ 6,371,332

12. GOVERNMENT TRANSFERS - PROVINCIAL

	Budget (Note 18)	2021	2020
Operating			
Ontario Municipal Partnership Fund	\$ 3,922,200	\$ 3,922,200	\$ 3,951,800
Safe Restart funding	-	1,142,248	2,532,800
Conditional	13,571,540	12,599,843	12,733,550
Capital			
Infrastructure funding	-	4,908,299	6,068,251
	\$ 17,493,740	\$ 22,572,590	\$ 25,286,401

13. OTHER INCOME

	Budget (Note 18)	2021	2020
Licenses, permits, rents, and concessions	\$ 4,078,050	\$ 4,057,359	\$ 3,894,511
Provincial offences and other fines	369,260	519,294	417,071
Penalties and interest on taxes	900,000	1,307,719	1,207,672
Investment income	1,611,370	6,019,990	2,682,909
Development charges earned	-	4,697,198	3,030,782
Developer contributed assets	-	9,847,240	8,599,205
Proceeds from sale of assets	261,470	229,559	245,365
Loss on disposal of tangible capital assets	-	(554,721)	(136,242)
Donations	174,530	116,388	62,662
Other	8,450	300,816	832,710
	\$ 7,403,130	\$ 26,540,842	\$ 20,836,645

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2021

14. 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 2021 was \$2,580,468 (2020 - \$2,516,404).

b) Ontario Clean Water Agency (OCWA)

Haldimand County has entered into a new agreement with Ontario Clean Water Agency for the operation and maintenance of the Central Water System in Nanticoke and the water systems in Dunnville. This contract expires September 30, 2030. The annual cost of this contract for 2021 was \$2,075,390. Previously this contract was held with Veolia Water Canada and the annual cost for 2020 was \$2,058,951.

c) 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 2021 was \$7,953,363 (2020 - \$7,702,729).

d) 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 2021 Haldimand County paid \$3,181,605 (2020 - \$2,142,237) for water under this contract.

e) 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, 2021, the balance outstanding was \$643,076. This agreement expires August 31, 2036.

f) 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.

15. 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 2021 was \$2,793,434 (2020 - \$2,724,389). 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, 2021

16. 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, 2021, 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, 2021 of \$1,518,985 (2020 - \$1,294,208).

17. 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, 2021, 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, 2021

18. 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:

	2021
Budget surplus for the year adopted by Council	\$ -
Add:	
Budgeted transfers to accumulated surplus	30,420,460
Principal payments on debt	6,788,573
Less:	
Budgeted transfers from accumulated surplus	(7,042,680)
Budgeted transfers from capital fund	(1,070,450)
Amortization	(25,061,330)
Budget surplus per Consolidated Statement of Operations	\$ 4,034,573

19. COMPARATIVE FIGURES

Certain prior year figures have been adjusted to conform with the 2021 financial statement presentation.

20. EXTRAORDINARY EVENTS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). This has resulted in governments worldwide, including the Federal, Provincial, 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, 2021

21. 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, 2021

FIN-14-2022, Attachment 3

21. SEGMENTED INFORMATION (continued)

	General Government	Protection Services	Transportation Services	Environmental Services	Social and Family Services	Other Services	Consolidated 2021
Revenue							
Government transfers - Federal	\$ 791,000	\$ -	\$ -	\$ -	\$ 38,160	\$ 198,320	\$ 1,027,480
Government transfers - Provincial	8,497,264	212,346	1,335,051	703,586	8,217,596	3,606,747	22,572,590
User charges	2,161,648	144,682	156,748	20,876,231	2,782,300	2,140,239	28,261,848
Other revenue [1]	23,905,462	2,366,440	102,884	2,325,489	30,339	327,385	29,057,999
	35,355,374	2,723,468	1,594,683	23,905,306	11,068,395	6,272,691	80,919,917
Expenses							
Salaries, wages, and benefits	8,508,906	4,471,859	5,415,395	4,010,178	9,194,014	14,113,806	45,714,158
Materials	3,042,610	486,472	3,041,357	6,740,283	1,365,888	1,678,656	16,355,266
Contracted services	3,009,689	10,104,206	10,733,760	8,459,363	1,713,391	2,763,470	36,783,879
External transfers	-	35,065	-	-	-	528,374	563,439
Financial expenses	317,981	3,111	36,635	27,387	390	92,286	477,790
Interest on long-term liabilities	494,206	61,698	-	409,139	335,747	527,174	1,827,964
Amortization	1,164,588	1,107,916	14,168,774	5,220,477	656,488	2,743,087	25,061,330
Interdepartmental charges	(8,378,712)	1,823,418	3,260,584	1,160,260	626,790	1,507,660	-
	8,159,268	18,093,745	36,656,505	26,027,087	13,892,708	23,954,513	126,783,826
Surplus (deficiency) of revenue over expenses for the year financed by net municipal levy	\$27,196,106	\$ (15,370,277)	\$ (35,061,822)	\$ (2,121,781)	\$ (2,824,313)	\$ (17,681,822)	\$ (45,863,909)
Taxation revenue							76,974,328
Annual surplus							\$ 31,110,419

[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, 2021

21. SEGMENTED INFORMATION (continued)

	General Government	Protection Services	Transportation Services	Environmental Services	Social and Family Services	Other Services	Consolidated 2020
Revenue							
Government transfers - Federal	\$ 5,856,655	\$ -	\$ -	\$ 416,468	\$ -	\$ 98,209	\$ 6,371,332
Government transfers - Provincial	9,771,505	183,858	3,095,788	802,183	7,868,162	3,564,905	25,286,401
User charges	2,069,642	215,653	38,393	19,809,769	2,933,341	1,787,162	26,853,960
Other revenue [1]	17,834,174	2,302,395	418,513	2,391,635	15,697	226,803	23,189,217
	35,531,976	2,701,906	3,552,694	23,420,055	10,817,200	5,677,079	81,700,910
Expenses							
Salaries, wages, and benefits	8,173,786	3,776,589	5,018,353	4,193,133	8,978,244	12,192,264	42,332,369
Materials	4,222,422	590,793	2,875,122	5,985,661	1,482,583	1,777,059	16,933,640
Contracted services	3,261,082	9,872,961	12,012,141	8,207,666	1,361,717	3,191,137	37,906,704
External transfers	2,250	615,268	-	-	-	775,219	1,392,737
Financial expenses	397,709	4,587	74,588	24,149	1,377	50,446	552,856
Interest on long-term liabilities	521,968	74,216	-	485,523	385,864	585,809	2,053,380
Amortization	1,110,404	1,096,404	14,372,677	4,925,013	653,076	2,548,669	24,706,243
Interdepartmental charges	(8,096,776)	1,810,358	3,022,119	1,131,679	631,630	1,500,990	-
	9,592,845	17,841,176	37,375,000	24,952,824	13,494,491	22,621,593	125,877,929
Surplus (deficiency) of revenue over expenses for the year financed by net municipal levy	\$ 25,939,131	\$ (15,139,270)	\$ (33,822,306)	\$ (1,532,769)	\$ (2,677,291)	\$ (16,944,514)	\$ (44,177,019)
Taxation revenue							73,920,774
Annual surplus							\$ 29,743,755

[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, 2021

	Budget 2021	2021	2020
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	3,360	5,132	-
Fees and service charges	13,510	10,665	9,394
Fines	16,780	11,422	10,971
Donations	10,800	11,290	13,785
Other revenue	9,630	11,715	5,858
	133,280	129,386	119,170
EXPENSES			
Salaries, wages, and benefits	1,497,190	1,334,249	1,151,157
Materials and supplies	67,900	48,584	55,911
Services	229,680	195,002	156,002
Rents and financial expenses	685,460	668,817	687,677
	2,480,230	2,246,652	2,050,747
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE UNDERNOTED ITEMS			
	(2,346,950)	(2,117,266)	(1,931,577)
Transfer from reserves	227,520	204,904	206,842
Transfer to reserves	(318,900)	(525,967)	(702,715)
	(91,380)	(321,063)	(495,873)
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR, FINANCED BY NET MUNICIPAL LEVY			
	\$ (2,438,330)	\$ (2,438,329)	\$ (2,427,450)

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, 2021

	Budget 2021	2021	2020
REVENUE			
Government transfers	\$ 60,490	\$ 136,346	\$ 81,443
Fees and service charges	7,590	4,856	2,464
Donations	6,630	6,482	2,756
Other revenue	16,240	-	-
	90,950	147,684	86,663
EXPENSES			
Salaries, wages and benefits	348,570	345,677	294,771
Materials and supplies	57,260	49,095	40,344
Services	24,860	15,564	18,391
Rents and financial expenses	730	328	-
	431,420	410,664	353,506
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE UNDERNOTED ITEMS	(340,470)	(262,980)	(266,843)
Transfer from reserves	-	-	-
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR FINANCED BY NET MUNICIPAL LEVY	\$ (340,470)	\$ (262,980)	\$ (266,843)

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, 2021

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 Organization), which comprises of the balance sheet as at December 31, 2021, 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 financial position of the Organization as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 Organization in accordance with 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 the financial statements in accordance with PSAS, 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 Organization'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 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.

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.

(continues)

Millard, Rouse & Rosebrugh LLP

85 Robinson Street, Simcoe, ON N3Y 1W7 T: 519.426.1606

SIMCOE PORT DOVER BRANTFORD HAGERSVILLE TILLSONBURG NORWICH DELHI

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

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 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 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 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 1, 2022
Simcoe, Ontario

The Corporation of Haldimand County

Balance Sheet - Trust Funds Year ended December 31, 2021

	Combined Cemetery Perpetual Care	Grandview Bequest Trust	Grandview Comfort Trust	Total 2021	Total 2020
NET ASSETS					
Cash	\$ -	\$ -	\$ 47,705	\$ 47,705	\$ 106,640
Investments (Note 2)	1,389,383	-	-	\$1,389,383	1,340,824
Due from (to) Haldimand County	(20,537)	93,961	75,764	\$ 149,188	126,167
TOTAL NET ASSETS	\$1,368,846	\$ 93,961	\$123,469	\$1,586,276	\$1,573,631
TRUST FUND BALANCE	\$1,368,846	\$ 93,961	\$123,469	\$1,586,276	\$1,573,631

See accompanying notes to financial statements

The Corporation of Haldimand County

Statement of Continuity - Trust Funds

Year ended December 31, 2021

	Combined Cemetery Perpetual Care	Grandview Bequest Trust	Grandview Comfort Trust	Total 2021	Total 2020
RECEIPTS					
Sale of plots and markers	\$ 35,209	\$ -	\$ -	\$ 35,209	\$ 45,770
Investment income	11,113	3,035	-	14,148	20,177
Resident contributions	-	-	207,497	207,497	179,907
Donations	-	775	-	775	609
	46,322	3,810	207,497	257,629	246,463
Disbursements					
Transfer to cemetery operations	11,113	-	-	11,113	17,174
Transfer to County (Note 3)	-	9,693	-	9,693	9,650
Transfer to residents	-	-	224,178	224,178	176,560
	11,113	9,693	224,178	244,984	203,384
NET RECEIPTS (DISBURSEMENTS) FOR THE YEAR					
	35,209	(5,883)	(16,681)	12,645	43,079
Trust fund balance - beginning of year					
	1,333,637	99,844	140,150	1,573,631	1,530,552
TRUST FUND BALANCE - END OF YEAR					
	\$ 1,368,846	\$ 93,961	\$ 123,469	\$ 1,586,276	\$ 1,573,631

See accompanying notes to financial statements

The Corporation of Haldimand County

Notes to the Trust Funds Financial Statements

Year ended December 31, 2021

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 \$1,389,383 (2020 - \$1,340,824) reported on the Balance Sheet at cost, have a fair value of \$1,389,383 (2020 - \$1,340,824) 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 \$9,693 (2020 - \$9,650).

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.