

The Corporation of Haldimand County
Consolidated Financial Statements
December 31, 2022



The Corporation of Haldimand County

FIN-14-2023, Attachment 3

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December 31, 2022

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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.



Cathy Case, Acting Chief Administrative Officer



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

Cayuga, Ontario
August 29, 2023

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 Corporation), which comprise the consolidated statement of financial position as at December 31, 2022, 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 Corporation as at December 31, 2022, 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 Corporation 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 21 of the financial statements which describes the effects of the coronavirus disease (COVID-19) on the Corporation. 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 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)

Millard, Rouse & Rosebrugh LLP

85 Robinson Street, Simcoe, ON N3Y 1W7 T: 519.426.1606
 SIMCOE PORT DOVER BRANTFORD HAGERSVILLE

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 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 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 Corporation 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

August 29, 2023
Simcoe, Ontario

Millard, Rouse & Rosebrugh LLP

85 Robinson Street, Simcoe, ON N3Y 1W7 T: 519.426.1606
SIMCOE PORT DOVER BRANTFORD HAGERSVILLE

The Corporation of Haldimand County
Consolidated Statement of Financial Position
As at December 31, 2022

	2022	2021
		(Note 19)
FINANCIAL ASSETS		
Cash	\$ 9,992,174	\$ 23,167,760
Investments (Note 3)	252,642,280	209,481,233
Taxes receivable	9,340,066	11,489,392
Accounts receivable	8,804,100	11,583,809
	280,778,620	255,722,194
LIABILITIES		
Accounts payable	28,003,983	19,522,495
Due to trust funds	156,326	149,188
Employee benefits liability (Note 4)	11,225,600	12,090,400
Allowance for assessment adjustments (Note 5)	2,683,993	2,518,955
Deferred revenue (Note 6)	29,361,968	28,747,391
Solid waste landfill closure and post-closure liability (Note 7)	16,893,153	14,985,240
Long-term liabilities (Note 8)	60,739,455	63,964,393
	149,064,478	141,978,062
NET FINANCIAL ASSETS	131,714,142	113,744,132
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	527,035,715	510,945,013
Prepaid expenses	330,750	305,957
Inventory	783,838	623,100
	528,150,303	511,874,070
ACCUMULATED SURPLUS (Note 10)	\$659,864,445	\$625,618,202

See accompanying notes to financial statements

The Corporation of Haldimand County
Consolidated Statement of Operations and Accumulated Surplus
Year ended December 31, 2022

	Budget 2022	2022	2021
(Note 18)			
REVENUES			
Taxation	\$ 80,448,580	\$ 80,386,950	\$ 76,974,328
Government transfers - Federal (Note 11)	2,930,460	2,276,158	1,027,480
Government transfers - Provincial (Note 12)	22,688,260	24,972,476	22,572,590
Recoveries from other municipalities	2,233,250	2,161,487	2,517,157
User charges	31,579,070	29,987,767	28,261,848
Other income (Note 13)	7,605,650	36,621,769	26,540,842
	147,485,270	176,406,607	157,894,245
Expenses			
General government	9,989,314	12,101,998	8,159,268
Protection services	21,337,086	17,330,365	18,093,745
Transportation services	33,210,635	38,635,272	36,656,505
Environmental services	32,548,308	35,442,045	26,027,087
Health services	10,765,452	10,247,754	9,098,314
Social and family services	14,293,319	14,151,497	13,892,708
Social housing	1,030,500	1,150,163	939,212
Recreation and cultural services	12,106,423	10,324,843	10,664,755
Planning and development	3,171,277	2,776,427	3,252,232
	138,452,314	142,160,364	126,783,826
ANNUAL SURPLUS	9,032,956	34,246,243	31,110,419
Accumulated surplus - beginning of year	625,618,202	625,618,202	594,507,783
ACCUMULATED SURPLUS - END OF YEAR	\$634,651,158	\$659,864,445	\$625,618,202

The Corporation of Haldimand County
Consolidated Statement of Changes in Net Financial Assets
Year ended December 31, 2022

	Budget 2022	2022	2021
(Note 18)			
ANNUAL SURPLUS	\$ 9,032,956	\$ 34,246,243	\$ 31,110,419
Amortization of tangible capital assets	43,956,420	27,559,962	25,061,330
Purchase of tangible capital assets	(69,840,455)	(44,209,251)	(34,806,004)
Proceeds on disposal of tangible capital assets	-	902,431	157,042
(Gain) loss on disposal of tangible capital assets	-	(343,844)	554,721
Decrease (increase) in prepaid expenses	-	(24,793)	39,756
Decrease (increase) in inventory	-	(160,738)	68,660
	(25,884,035)	(16,276,233)	(8,924,495)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(16,851,079)	17,970,010	22,185,924
Net financial assets - beginning of year	113,744,132	113,744,132	91,558,208
NET FINANCIAL ASSETS - END OF YEAR	\$ 96,893,053	\$131,714,142	\$113,744,132

See accompanying notes to financial statements

The Corporation of Haldimand County

Consolidated Statement of Cash Flow

Year ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Annual surplus	\$ 34,246,243	\$ 31,110,419
Items not affecting cash:		
Amortization of tangible capital assets	27,559,962	25,061,330
(Gain) loss on disposal of tangible capital assets	(343,844)	554,721
	61,462,361	56,726,470
Changes in non-cash working capital:		
Taxes receivable	2,149,326	(1,996,136)
Accounts receivable	2,779,709	(825,587)
Accounts payable	8,481,488	3,679,763
Due to trust funds	7,138	23,021
Employee benefits liability	(864,800)	(866,500)
Allowance for assessment adjustments	165,038	57,835
Deferred revenue	614,577	13,358,753
Solid waste landfill closure and post-closure liability	1,907,913	(556,727)
Prepaid expenses	(24,793)	39,756
Inventory	(160,738)	68,660
	15,054,858	12,982,838
Cash flow from operating activities	76,517,219	69,709,308
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(44,209,251)	(34,806,004)
Proceeds from sale of tangible capital assets	902,431	157,042
Cash flow used by capital activities	(43,306,820)	(34,648,962)
FINANCING ACTIVITIES		
Long-term debt issued	4,416,500	8,348,650
Repayment of long-term debt	(7,641,438)	(6,788,573)
Cash flow from (used by) financing activities	(3,224,938)	1,560,077
INCREASE IN CASH FLOW	29,985,461	36,620,423
Cash - beginning of year	232,648,993	196,028,570
CASH - END OF YEAR	\$262,634,454	\$232,648,993
CASH CONSISTS OF:		
Cash	\$ 9,992,174	\$ 23,167,760
Investments	252,642,280	209,481,233
	\$262,634,454	\$232,648,993

See accompanying notes to financial statements

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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, 2022

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 \$14,475,706 (2021 - \$14,127,966).

(iv) *Trust funds*

Trust funds and their related operations administered by the municipality amounting to \$1,653,141 (2021 - \$1,586,276) are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Balance Sheet".

(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 \$6,596,463 (2021 - \$6,430,971) 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.

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.

(continues)

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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

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, 2022

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	20 to 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 and corporate bonds, GICs and money market instruments, high interest savings, fixed interest senior 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.

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.

(continues)

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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 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 assessment adjustments, accounts receivable, accounts payable, 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:

	2022		2021	
	Market Value	Carrying Value	Market Value	Carrying Value
Government and corporate bonds	\$ 3,493,059	\$ 3,559,362	\$ 5,082,101	\$ 5,006,607
GICs and money market instruments	30,116,366	29,705,212	3,171,758	3,171,758
High interest savings	25,667,706	25,667,706	18,302,868	18,302,868
Fixed interest senior notes	36,774,900	38,000,000	30,000,000	30,000,000
Principal protected notes - fixed interest	43,920,300	50,000,000	60,663,610	58,000,000
Principal protected notes - equity	107,599,650	105,700,000	111,059,000	95,000,000
	\$247,571,981	\$252,632,280	\$228,279,337	\$209,481,233

Maturity dates on the investments in the portfolio range from 2023 to 2029 and interest rates range from 0.90% to 4.10%

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2022

4. EMPLOYEE BENEFITS LIABILITY

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

	2022	2021
Vested and non-vested sick leave	\$ 1,231,500	\$ 1,148,700
Post-employment and post-retirement benefits	2,865,500	2,833,500
Workers' compensation	7,128,600	8,108,200
	\$ 11,225,600	\$ 12,090,400

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, 2022 is estimated at \$457,308 (2021 - \$424,175) 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 (2021 - \$nil).

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 \$1,231,500 (2021 - \$1,148,700). The County has established a reserve fund of \$322,576 (2021 - \$315,406) to mitigate some of the future impacts of these obligations; however, vested and non-vested sick leave benefits are unfunded by a balance of \$908,924 (2021 - \$833,294). This unfunded liability is presented in the Consolidated Statement of Financial Position in accumulated surplus (Note 10).

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%

(continues)

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2022

4. EMPLOYEE BENEFITS LIABILITY (*continued*)

The estimate of the post-employment and post-retirement benefits liability, based on the actuarial report, is \$2,865,500 (2021 - \$2,833,500). The County has established a reserve fund of \$1,208,748 (2021 - \$1,271,599) to mitigate some of the future impacts of these obligations; however, post-employment and post-retirement benefits are unfunded by a balance of \$1,656,752 (2021 - \$1,561,901). This unfunded liability is presented in the Consolidated Statement of Financial Position in accumulated surplus (Note 10).

c) Liability for 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.

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%
Inflation rate	2.00%
Future benefit indexing rates	
- loss of earnings benefits	2.00%
- other lifetime income benefits	2.00%
- health benefits	4.00%

The estimate of the future benefit costs for WSIB claims based on the actuarial report is \$7,128,600 (2021 - \$8,108,200). The County has established a reserve fund of \$11,068,021 (2021 - \$9,986,258) to mitigate the future impacts of these obligations; WSIB is overfunded by a balance of \$3,939,421 (2021 - \$1,878,058). 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 \$337,283 (2021 - \$358,477).

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, 2022

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	\$ 830,178	\$ 68,970	\$ 19,456	\$ -	\$ 918,604
Development charges	10,599,664	7,971,187	211,529	(9,981,536)	8,800,844
Building permits	6,904,538	606,955	163,124	(55,958)	7,618,659
Federal gas tax	7,422,986	2,892,929	181,908	(1,851,055)	8,646,768
Provincial OCIF	1,016,538	5,425,305	27,759	(5,371,525)	1,098,077
Deferred provincial grants	755,781	-	-	-	755,781
Other	1,217,706	1,523,235	-	(1,217,706)	1,523,235
	\$28,747,391	\$ 18,488,581	\$ 603,776	\$(18,477,780)	\$ 29,361,968

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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 \$16,893,153. 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 87 years Tom Home landfill site and 63 years for Canborough landfill site.

Key assumptions in determining the liability at December 31, 2022 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

	2022	2021
Capital costs upon closure	\$ 498,498	\$ 610,222
Closed landfill site rehabilitation and monitoring	16,394,655	14,375,018
	\$ 16,893,153	\$ 14,985,240

The Corporation of Haldimand County

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Notes to Consolidated Financial Statements

Year ended December 31, 2022

8. LONG-TERM LIABILITIES

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

	2022	2021
Total long-term liabilities issued or assumed by the municipality and outstanding at the end of the year amounts to:	\$ 60,739,455	\$ 63,964,393

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

2023	8,104,088
2024	7,239,768
2025	7,263,768
2026	7,292,768
2027	6,585,458
Thereafter	24,253,605
	<u>\$ 60,739,455</u>

The above long-term liabilities have maturity dates ranging from 2023 to 2039 with interest rates varying between 1.85% 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, 2022

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9. TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Buildings and Structures	Infrastructure	Vehicles, Machinery and Equipment	Assets under Construction	2022
Cost, beginning of year	\$ 14,675,144	\$ 74,147,833	\$ 178,396,780	\$ 571,359,838	\$ 104,745,328	\$ 39,915,914	\$ 983,240,837
Additions	1	3,163,189	9,687,424	31,003,532	11,133,347	23,568,125	78,555,618
Disposals	(8,169)	(10,725)	(760,796)	(4,973,805)	(1,298,332)	(6,614)	(7,058,441)
Transfer to capital assets	-	-	-	-	-	(34,346,367)	(34,346,367)
Cost, end of year	14,666,976	77,300,297	187,323,408	597,389,565	114,580,343	29,131,058	1,020,391,647
Accumulated amortization, beginning of year	-	37,141,511	58,233,625	322,704,771	54,215,917	-	472,295,824
Amortization	-	1,690,361	3,727,055	16,564,156	5,578,390	-	27,559,962
Disposals	-	(10,725)	(537,241)	(4,702,582)	(1,249,306)	-	(6,499,854)
Accumulated amortization, end of year	-	38,821,147	61,423,439	334,566,345	58,545,001	-	493,355,932
Net carrying amount, end of year	\$ 14,666,976	\$ 38,479,150	\$ 125,899,969	\$ 262,823,220	\$ 56,035,342	\$ 29,131,058	\$ 527,035,715

(continues)

The Corporation of Haldimand County
Notes to Consolidated Financial Statements
Year ended December 31, 2022

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9. TANGIBLE CAPITAL ASSETS (continued)

	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

The Corporation of Haldimand County

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Notes to Consolidated Financial Statements

Year ended December 31, 2022

10. ACCUMULATED SURPLUS

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

	2022	2021
Investment in tangible capital assets	\$ 527,035,715	\$ 510,945,013
Long-term liabilities	(60,739,455)	(63,964,393)
Overfinanced capital	4,039,481	3,878,709
Net investment in tangible capital assets	470,335,741	450,859,329
BIA surpluses	138,017	121,894
Reserves and reserve funds - Operating		
Contingency	22,236,414	19,505,647
Land sales	2,442,463	2,263,673
Employee benefits insurance	2,757,017	2,695,734
Insurance	1,082,579	1,518,985
Water rate stabilization	3,016,081	3,131,053
Wastewater rate stabilization	3,598,348	2,909,916
Investment income stabilization	9,804,110	2,632,875
Other	7,933,032	6,950,405
	52,870,044	41,608,288
Reserves and reserve funds - Capital		
Roads infrastructure	13,234,221	16,136,063
Wastewater	18,701,862	17,599,794
Water	7,523,799	8,676,333
General	6,402,363	7,993,535
Storm sewer	1,494,783	1,105,747
Fire fleet	5,432,623	4,348,654
Other fleet	2,797,760	2,360,253
Other	10,292,936	8,998,403
	65,880,347	67,218,782
Subtotal - Reserves and reserve funds	118,750,391	108,827,070
Hydro legacy fund	93,652,326	90,050,313
Community vibrancy fund	(7,829,905)	(9,096,504)
WSIB reserve fund held jointly with Norfolk County (gross amounts)	337,283	358,477
Unfunded liabilities		
Solid waste landfill closure and post-closure liability	(16,893,153)	(14,985,240)
Post-employment and post-retirement benefits liability	(1,656,752)	(1,561,901)
Vested and non-vested sick leave liability	(908,924)	(833,294)
WSIB	3,939,421	1,878,058
	(15,519,408)	(15,502,377)
	\$ 659,864,445	\$ 625,618,202

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Notes to Consolidated Financial Statements

Year ended December 31, 2022

11. GOVERNMENT TRANSFERS - FEDERAL

	Budget (Note 18)	2022	2021
Operating			
Conditional	\$ 37,530	\$ 108,965	\$ 198,320
Capital			
Infrastructure funding	-	316,139	38,160
Federal gas tax revenue	2,892,930	1,851,054	791,000
	\$ 2,930,460	\$ 2,276,158	\$ 1,027,480

12. GOVERNMENT TRANSFERS - PROVINCIAL

	Budget (Note 18)	2022	2021
Operating			
Ontario Municipal Partnership Fund	\$ 4,084,200	\$ 4,084,200	\$ 3,922,200
Safe Restart funding	-	-	1,142,248
Conditional	18,604,060	15,161,525	12,599,843
Capital			
Infrastructure funding	-	5,726,751	4,908,299
	\$ 22,688,260	\$ 24,972,476	\$ 22,572,590

13. OTHER INCOME

	Budget (Note 18)	2022	2021
Licenses, permits, rents, and concessions	\$ 4,100,360	\$ 4,275,224	\$ 4,057,359
Provincial offences and other fines	528,800	442,099	519,294
Penalties and interest on taxes	900,000	1,312,505	1,307,719
Investment income	1,611,370	13,241,242	6,019,990
Development charges earned	-	9,981,536	4,697,198
Developer contributed assets	-	4,616,291	9,847,240
Proceeds from sale of other assets	266,780	174,052	229,559
Gain (loss) on disposal of tangible capital assets	-	343,844	(554,721)
Donations	189,890	1,260,575	116,388
Other	8,450	974,401	300,816
	\$ 7,605,650	\$ 36,621,769	\$ 26,540,842

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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 2022 was \$2,865,747 (2021 - \$2,580,468).

b) Ontario Clean Water Agency (OCWA)

Haldimand County has entered into an 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 and the annual cost of this contract for 2022 was \$2,227,791 (2021 - \$2,075,390).

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. This contract was extended for one year and expires December 31, 2023. The annual cost of this contract for 2022 was \$8,406,718 (2021 - \$7,953,363).

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 2022 Haldimand County paid \$3,689,129 (2021 - \$3,181,605) 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, 2022, the balance outstanding was \$613,221. 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. Contributions were made in the 2022 calendar year at rates ranging from 9.0% to 14.6% (2021 - 9.0% to 14.6%). The amount contributed to OMERS for 2022 was \$3,024,387 (2021 - \$2,793,434). 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 OMERS pension plan ended 2022 with a funding deficit of \$6.7 billion (2021 - \$3.1 billion) which will be addressed through temporary contribution rate increases, benefit reductions and investment returns.

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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, 2022, 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, 2022 of \$1,082,579 (2021 - \$1,518,985).

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, 2022, 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.

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:

	2022
Budget surplus for the year adopted by Council	\$ -
Add:	
Budgeted transfers to accumulated surplus	35,072,000
Principal payments on debt	7,641,438
Less:	
Budgeted transfers from accumulated surplus	(5,652,890)
Budgeted transfers from capital fund	(467,630)
Amortization	(27,559,962)
Budget surplus per Consolidated Statement of Operations	\$ 9,032,956

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2022

19. COMPARATIVE FIGURES

Certain prior year figures have been adjusted to conform with the 2022 financial statement presentation.

20. FINANCIAL INSTRUMENTS

The Corporation is exposed to various risks through its financial instruments and continues to monitor, evaluate and manage these risks. The following analysis provides information about the corporation's risk exposure and concentration as of December 31, 2022.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Corporation is exposed to credit risk from customers and taxpayers. In order to reduce its credit risk, an allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Corporation has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt, contributions to the pension plan, and accounts payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Corporation is mainly exposed to interest rate risk..

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Corporation manages exposure through its normal operating and financing activities.

Unless otherwise noted, it is management's opinion that the corporation is not exposed to significant other price risks arising from these financial instruments.

21. 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 Corporation'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

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Notes to Consolidated Financial Statements

Year ended December 31, 2022

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 Corporation'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, 2022

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21. SEGMENTED INFORMATION (continued)

	General Government	Protection Services	Transportation Services	Environmental Services	Social and Family Services	Other Services	Consolidated 2022
Revenue							
Government transfers - Federal	\$ 1,851,054	\$ -	\$ -	\$ -	\$ 227,687	\$ 197,417	\$ 2,276,158
Government transfers - Provincial	9,701,490	235,546	150,829	757,379	9,387,160	4,740,072	24,972,476
User charges	2,759,645	311,192	132,037	21,688,422	2,900,664	2,195,807	29,987,767
Other revenue [1]	32,200,044	2,067,393	470,675	2,397,166	25,896	1,622,082	38,783,256
	46,512,233	2,614,131	753,541	24,842,967	12,541,407	8,755,378	96,019,657
Expenses							
Salaries, wages, and benefits	9,818,524	3,790,846	5,985,101	4,475,777	9,163,827	15,184,475	48,418,550
Materials	5,066,082	473,095	2,467,089	7,745,126	1,580,129	2,004,798	19,336,319
Contracted services	4,145,912	8,820,826	10,294,331	16,153,935	1,821,180	1,637,178	42,873,362
External transfers	297,190	688,897	-	-	-	632,395	1,618,482
Financial expenses	327,175	3,112	25,694	58,160	96	160,972	575,209
Interest on long-term liabilities	467,851	49,353	-	504,596	286,656	470,024	1,778,480
Amortization	1,167,784	1,215,426	16,483,705	5,318,783	660,279	2,713,985	27,559,962
Interdepartmental charges	(9,188,520)	2,288,810	3,379,352	1,185,668	639,330	1,695,360	-
	12,101,998	17,330,365	38,635,272	35,442,045	14,151,497	24,499,187	142,160,364
Surplus (deficiency) of revenue over expenses for the year financed by net municipal levy	\$34,410,235	\$ (14,716,234)	\$ (37,881,731)	\$ (10,599,078)	\$ (1,610,090)	\$ (15,743,809)	\$ (46,140,707)
Taxation revenue							80,386,950
Annual surplus							\$ 34,246,243

[1] Other revenue - Includes recoveries from other municipalities and other income categories detailed in Note 13.

The Corporation of Haldimand County

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Notes to Consolidated Financial Statements

Year ended December 31, 2022

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 recoveries from other municipalities and other income categories detailed in Note 13.

The Corporation of Haldimand County
Library Division - Schedule of Operations
Year ended December 31, 2022

	Budget 2022	2022	2021
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	3,600	5,132
Fees and service charges	25,260	18,736	10,665
Fines	26,720	16,885	11,422
Donations	10,800	8,250	11,290
Other revenue	14,870	18,301	11,715
	160,210	144,934	129,386
EXPENSES			
Salaries, wages, and benefits	1,499,850	1,307,051	1,334,249
Materials and supplies	70,560	52,619	48,584
Services	229,500	223,129	195,002
Rents and financial expenses	686,080	678,529	668,817
	2,485,990	2,261,328	2,246,652
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE UNDERNOTED ITEMS			
	(2,325,780)	(2,116,394)	(2,117,266)
Transfer from reserves	176,390	176,392	204,904
Transfer to reserves	(316,680)	(526,069)	(525,967)
	(140,290)	(349,677)	(321,063)
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR, FINANCED BY NET MUNICIPAL LEVY			
	\$ (2,466,070)	\$ (2,466,071)	\$ (2,438,329)

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

The Corporation of Haldimand County

Museum Division - Schedule of Operations

Year ended December 31, 2022

	Budget 2022	2022	2021
REVENUE			
Government transfers	\$ 53,760	\$ 88,251	\$ 136,346
Fees and service charges	20,030	19,132	4,856
Donations	21,990	14,983	6,482
Other revenue	1,200	-	-
	96,980	122,366	147,684
EXPENSES			
Salaries, wages and benefits	360,540	352,862	345,677
Materials and supplies	57,160	40,336	49,095
Services	36,860	26,286	15,564
Rents and financial expenses	730	543	328
	455,290	420,027	410,664
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE UNDERNOTED ITEMS	(358,310)	(297,661)	(262,980)
Transfer from reserves	-	-	-
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR FINANCED BY NET MUNICIPAL LEVY	\$ (358,310)	\$ (297,661)	\$ (262,980)

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

The Corporation of Haldimand County
Trust Funds - Financial Statements
December 31, 2022

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, 2022, 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, 2022, 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

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

August 29, 2023
Simcoe, Ontario

The Corporation of Haldimand County

Balance Sheet - Trust Funds Year ended December 31, 2022

	Combined Cemetery Perpetual Care	Grandview Bequest Trust	Grandview Comfort Trust	Total 2022	Total 2021
NET ASSETS					
Cash	\$ -	\$ -	\$ 18,022	\$ 18,022	\$ 47,705
Investments (Note 2)	1,478,793	-	-	\$1,478,793	1,389,383
Due from (to) Haldimand County	(41,482)	88,641	109,167	\$ 156,326	149,188
TOTAL NET ASSETS	\$1,437,311	\$ 88,641	\$127,189	\$1,653,141	\$1,586,276
TRUST FUND BALANCE	\$1,437,311	\$ 88,641	\$127,189	\$1,653,141	\$1,586,276

See accompanying notes to financial statements

The Corporation of Haldimand County

Statement of Continuity - Trust Funds

Year ended December 31, 2022

	Combined Cemetery Perpetual Care	Grandview Bequest Trust	Grandview Comfort Trust	Total 2022	Total 2021
RECEIPTS					
Sale of plots and markers	\$ 68,465	\$ -	\$ -	\$ 68,465	\$ 35,209
Investment income	30,999	2,160	-	33,159	14,148
Resident contributions	-	-	176,634	176,634	207,497
Donations	-	2,325	-	2,325	775
	99,464	4,485	176,634	280,583	257,629
Disbursements					
Transfer to cemetery operations	30,999	-	-	30,999	11,113
Transfer to County (Note 3)	-	9,805	-	9,805	9,693
Transfer to residents	-	-	172,914	172,914	224,178
	30,999	9,805	172,914	213,718	244,984
NET RECEIPTS (DISBURSEMENTS) FOR THE YEAR					
	68,465	(5,320)	3,720	66,865	12,645
Trust fund balance - beginning of year					
	1,368,846	93,961	123,469	1,586,276	1,573,631
TRUST FUND BALANCE - END OF YEAR					
	\$ 1,437,311	\$ 88,641	\$ 127,189	\$ 1,653,141	\$ 1,586,276

See accompanying notes to financial statements

The Corporation of Haldimand County

Notes to the Trust Funds Financial Statements

Year ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the Trust Funds 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 (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 \$1,478,793 (2021 - \$1,389,383) reported on the Balance Sheet at cost, have a fair value of \$1,446,380 (2021 - \$1,389,383) 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 \$9,805 (2021 - \$9,693).

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.