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# HALDIMAND COUNTY

Report FIN-14-2022 Audited Financial Statements for 2021

For Consideration by Council in Committee on November 1, 2022

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## OBJECTIVE:

To present the audited 2021 Consolidated Financial Statements (including the Trust Fund statements) and details of the Operating Surplus/(Deficit) position for Haldimand County for the year ended December 31, 2021.

## RECOMMENDATIONS:

1. THAT Report FIN-14-2022 Audited Financial Statements for 2021 be received;
2. AND THAT the consolidated financial statements, including the Trust Fund Statements, for Haldimand County for 2021, as audited by Millard, Rouse and Rosebrugh LLP, be received and approved.

**Prepared by:** Heather Love, CPA, CGA, Supervisor, Budgets & Financial Planning

**Respectfully submitted:** Mark Merritt, CPA, CA, General Manager of Financial & Data Services

**Approved:** Craig Manley, MCIP, RPP, Chief Administrative Officer

## EXECUTIVE SUMMARY:

Highlights from the 2021 audited financial statements (presented under separate cover) are as follows:

- **Investment Portfolio:** As outlined in the annual investment report to Council in May 2022, the carrying book value of the County's investment portfolio was approximately \$231 million compared to a book value of \$195 million at December 31, 2020. The 2021 year end book value is comprised of approximately \$136 million in fixed income investments and \$95 million in growth/equity investments. Upon review by the Investment Committee and with the assistance/advice of the County's Investment manager, the County liquidated one investment in April of 2021, and reinvested both the \$10M principal and \$3M return into a new seven-year growth Principle Protected Bank Note. As reported in FIN-06-2022 Investment Status report – December 31, 2021, the realized return for 2021 was \$6.6 million or 3.20%. This portfolio, coupled with strong annual returns has led to increased liquidity, revenue and financial flexibility.
- **Substantial Investment in Infrastructure:** The County invested over \$33 million in infrastructure (replacement and new). This significant investment is outpacing the use of current assets, and is a result of needed facility replacements, some growth, and the acceleration and enhancement to the roads program. Prior years have ranged anywhere from \$27 million to \$46 million. At the end of 2021, the historical cost of the County's infrastructure was estimated at approximately \$983 million.
- **Reserves/Reserve Funds:** The County has established numerous reserves/reserve funds to ensure sufficient funds are available for future expenditures. Total Operating and Capital Reserves/Reserve Funds, at December 31, 2021, were \$108.8 million which represents an increase of approximately \$10.2 million over the previous year. This excludes both our Hydro

Legacy Fund of \$90.1 million, which increased \$3.5 million over 2020, as well as our Community Vibrancy Fund which has a negative balance of \$9.1 million to be recovered from future receipts.

- **Strong Credit Rating:** The above noted items were several of the factors noted during the County’s annual credit rating review in 2021. The County’s credit rating was affirmed at “AA/Stable” by the independent bond rating agency of Standards & Poor’s Rating Services; primarily based on exceptional liquidity, strong and flexible budgetary performance and minimal debt burden.

The audited 2021 surplus/(deficits) for Haldimand County financial operations are presented in this report, together with reasons for the significant variances from the Council approved budgets.

The net surplus for the four main functional areas is transferred to/from the appropriate reserve in accordance with previously approved Council resolutions.

**2021 Audited Operating Surplus/(Deficit)**

<b>Investment Income (in excess of \$100,000)</b>		<b>\$780,624</b>
<b>Unspent Safe Restart (Covid) Funding - carried forward to 2021*</b>		<b>\$435,719</b>
<b>Tax Supported Operations</b>		<b>\$4,423,338</b>
<b>Rate Supported Operations</b>		
Water Operations	\$193,435	
Wastewater Operations	\$982,775	<b>\$1,176,210</b>
<b>Total Operating Surplus/(Deficit)</b>		<b><u>\$6,815,891</u></b>

\*This value represents the net difference in the 2020 and 2021 ending balances in Safe Restart Funding. Full balance remaining as of December 31, 2021 is outlined in Table 4.

The presentation of the 2021 audited financial statements, albeit a part of transparent and accountable fiscal management, fulfills the Corporation’s statutory obligations to present annual audited financial statements to Council and the public. These statements, as well as the attached Building Division and Parkland Dedication Reserve Fund Statement of Activities, will be posted on the County’s website for public access by local taxpayers and ratepayers.

**BACKGROUND:**

The Municipal Act, 2001 (the Act) provides that the auditor appointed by the municipality shall annually audit the accounts and transactions of the municipality, express an opinion on the financial statements and report to Council. The external auditor’s responsibility is to express an independent opinion on the financial statements, based on audit evidence, as to whether the statements present fairly, in all material respects, the financial information contained therein. Audit practices and procedures are based on the following principles: the users (or readers) of the statements are “reasonable users”; auditor’s evaluation of risks of misstatement is based on internal controls/inherent risk of misstatement; professional judgment; and sufficient audit evidence to support their opinion.

Management is responsible for the preparation and fair presentation of the annual statements in accordance with Canadian Public Sector Accounting Board (PSAB) accounting standards. As a result, management is responsible to ensure there are adequate internal controls so that financial reporting is accurate and free of misstatements. The auditors will use management’s established controls and

processes to determine the level of audit evidence they must obtain to issue their opinion on the municipality's statements.

In an effort to move to a full accrual basis of accounting, PSAB adopted Handbook Section 3150, Tangible Capital Assets, and its associated reporting requirements. The implementation of this section, effective January 1, 2009, requires municipalities to report tangible capital assets in the statement of financial position. In addition, the amortization of tangible capital assets is to be accounted for as an expense in the statement of operations. Ultimately, these reporting requirements changed how municipalities report capital assets and the financial resources necessary, or lack thereof, to fund these requirements.

Even prior to these more recent amendments, there have always been reporting differences between the annual budgets, internal financial reporting and the audited financial statements. Although the intent of the latest PSAB amendments is to better align the municipality's annual reporting with full accrual accounting, most municipalities have maintained their previous internal reporting and budget formats. The rationale for some of these differences is that a municipality's budget is focused on long range financing principles and manageable impacts on rates and taxpayers over these periods. As a result, differences in financial reporting and funding of certain liabilities and costs are likely to persist into the future (e.g. amortization of existing assets may not provide a good basis for determining future funding requirements to replace the existing assets).

Similar to most Provincial municipalities, the County has adopted a process to convert the internal statements to PSAB compliant financial statements for auditing purposes (as detailed in Table 2 below). The County traditionally segregates its operational financial results into three main areas: tax supported operations, water operations and wastewater operations (these last two areas are independently financed – water costs from water users and wastewater costs from wastewater users). Capital operations are considered a work-in-progress until projects are complete and each project has specific, Council approved funding. It should also be noted that any capital variances are excluded from the analysis presented in this staff report (as they are typically reported on separately during the year). Reserve and reserve fund operations represent the net transfers to and from reserves or reserve funds during the year.

Typically, staff present the operational financial results to Council on three separate occasions during a fiscal year. These are segregated primarily between tax supported and rate supported operations (with sub-categories identified in each category). Reporting timeframes are as follows:

- In-year results: This report is presented to Council based on year to date financial results and reflects the annual projections for expenditures and revenues to year end (taking into account the year to date operations). This report is typically presented to Council in late summer or early fall.
- Draft Budget: In the respective draft operating budget (i.e. tax supported and rate supported water and wastewater), the projected previous year end financial results are reported. Included in the Treasurer's Report is an explanation of any significant anticipated variances and the impact, if any, on the draft operating budgets.
- As part of the audited financial statements: actual surpluses and deficits are identified and major drivers are summarized.

The focus of this staff report, independent of the auditor's report, is to:

- Summarize the required adjustments to meet PSAB reporting requirements, as they are reflected in the accompanying audited financial statements; and
- Summarize key components of the audited surplus or deficit for the year (for internal reporting purposes, operational surpluses or deficits are transferred to/from specifically identified reserves).

## ANALYSIS:

The County's auditor, Millard, Rouse & Rosebrugh LLP, has recently completed their audit of the 2021 Consolidated Financial Statements. The audited statements are provided as Attachment 3 to this report and will be presented by the auditor at the November 1<sup>st</sup> Council meeting. These statements also include the annual results of the County administered Trust Funds (i.e. cemetery perpetual care funds, Grandview Lodge bequest funds and Grandview Lodge Comfort Trust fund).

As outlined above, under the PSAB principles, the move to full accrual accounting required dramatic changes to past methods of reporting certain transactions. Most notable is the requirement to report tangible capital assets on the Statement of Financial Position (i.e. balance sheet) and amortize these capital costs over their useful life. Prior to 2009, these costs were expensed on a cash basis in the year they were acquired or constructed, rather than depreciated over time.

### Reconciliation of Budget and 2021 Operating "Surplus"

To date, Ontario municipalities have not been legislated to amend their annual budget formats to reflect the accrual accounting method for tangible capital assets. As a result, the format of the annual budget does not match the audited financial statement presentation, making it somewhat difficult for Council and the public to reconcile these critical financial reports. Municipalities have expressed significant concern to the Province of Ontario that, although supportive of the reasons for recording asset values in the financial statements, the legislated budgeting methodologies are currently incompatible with the PSAB approach (for example, municipalities must have balanced budgets), resulting in significant public confusion. In particular, the reporting of budget variances (surpluses/deficits) will cause confusion because of the timing of financial transactions based on cash accounting (traditional approach) versus accrual accounting (PSAB approach). In other words, municipalities traditionally do not budget for amortization of the acquisition, utilization or disposal of assets based on the useful life but, instead, based on actual timing of the cash transactions associated with each of those activities. For comparison purposes, the budgets included in the Financial Statements include a budget for amortization based on the actuals.

Under PSAB reporting requirements, reserve and reserve funds form an integral part of the County's accumulated surplus and, as such, do not appear as a separate schedule within the financial statements. Correspondingly, any contributions to or from these reserves and reserve funds must be removed. Principal debt repayments are removed as these payments reflect a reduction in a long term liability. All the above noted adjustments represent "financing" requirements which are integral to any municipality's long range funding plan.

The following table outlines the adjustments required and the resulting amended "budget" to be reflected in the audited financial statements for 2021 to meet PSAB reporting requirements.

**TABLE 1 - Adjustments required and the resulting amended "budget"**

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

(\*) – includes both tax supported and rate supported operating and capital budgets.

As shown above, most of the PSAB related budget transfers to surplus related to capital transactions, including expenditures, reserve transactions and debt financing. The net effect of these adjustments results in a budgeted “surplus” due, primarily, to the construction of new capital assets. Since the majority of the County’s financing of capital related transactions is from specific reserves and reserve funds, these amounts must be removed or added back, as applicable, for financial statement presentation purposes. This is due to the PSAB requirement to amortize capital assets on the statement of operations (i.e. income statement). For 2021, budgeted expenditures related to amortization has been added (equal to actual amortization) to eliminate large variances related to amortization for the year (which has been an issue in previous years when reviewing actual results compared to budgets).

As outlined during the review of the 2021 Tax Supported Operating Budget, certain annual expenditures are not required to be budgeted for, as follows: amortization expenses related to capital assets; post-employment benefit costs; and solid waste landfill closure and post-closure expenses. This factor, combined with the required presentation of capital assets in the financial statements (as noted in Table 1), makes it challenging to reconcile the reporting of operational results under the traditional format presented in the annual operating budget, as compared to the current PSAB format.

Table 3, presented later in this report, identifies an overall net operating surplus for the 2021 fiscal year of \$6.8 million. This reflects the financial results for tax and rate supported operations – which excludes capital and reserve/reserve fund operations. In comparison, the PSAB compliant reported surplus on the 2021 audited financial statements is approximately \$31.1 million. The following table reconciles the reasons for the differences in how the surplus/deficit has been reported:

**TABLE 2 – Reconciling Differences in Surplus/Deficit Reporting**

Description	Impact on 2021 Surplus Increase/(Decrease)
Revenue Fund - tax supported and water/wastewater operations (details analyzed in Table 3)	6,815,891
<b><i>Add Net Capital and Reserve Fund Operations:</i></b>	
Capital Fund (work in progress to be funded)	5,637,970
Reserve/Reserve Funds (net transfers prior to surplus/deficit entries)	22,395,209
Sub-total per Internal Financial Statements	34,849,070
<b><i>Adjustments for PSAB Audited Financial Statements</i></b>	
Principal debt repayments	6,788,573
Debt Proceeds	(8,348,650)
Decrease (increase) in landfill post-closure liability	556,727
Capital Costs capitalized (i.e. not expensed) during the year	28,859,990
Capital Costs included in work-in-progress (i.e. not complete as of December 31st and not expensed)	5,946,014
Amortization of capital assets	(25,061,330)
Net costs associated with the disposal of capital assets	(711,763)
Change in post-employment and sick leave liabilities	(107,900)
Change in workers' compensation liabilities	974,400
Change in deferred revenues/obligatory reserves	(12,634,713)
<b>Surplus Reported on Audited Financial Statements</b>	<b>31,110,418</b>

## Net Capital and Reserve Fund Operation

The Net Capital Fund of \$.5.6 million is the sum of all the capital fund transactions (revenues net of expenses) for 2021. The Reserves and Reserve Funds balance of \$22.4 million is a sum of all the transfers to and from the reserve accounts.

## PSAB adjustments

As identified in the table above, most of the PSAB related budget adjustments are related to capital transaction costs, net of the amortization of capital assets. The net effect of these adjustments results in a budgeted “surplus” for financial statement presentation. Additional PSAB adjustments relate to the accrual of post-employment benefits and WSIB liability which are not reflected in annual budgets (these costs are budgeted based on actual cost to be incurred in the year or estimated liability based on current costs). It should be noted that for the 2019 year end, the County updated the actuarial reviews related to post-employment benefits and WSIB liability. This provides us with estimates for 2019 through to 2022.

Some of the more significant 2021 operating variances included in the audited Financial Statements for PSAB purposes (under separate cover), totalling \$31.1 million, are as follows:

- Operating Revenues: The total variance between actual revenues compared to budgeted revenues is approximately \$21.4 million favourable variance. The main contributing factors to the reported variance is related to:
  - Investment Income: as detailed in the Investment Status Report to Council in May 2022, the County’s investment portfolio rebounded in 2021 after a downturn in the portfolio as a result of the pandemic in 2020. As noted previously, upon review by the Investment Committee and with the assistance/advice of the County’s Investment manager, the County liquidated one investment in April of 2021, and reinvested both the \$10M principal and \$3M return into a new seven-year growth Principle Protected Bank Note. As per the Investment Policy, variances in investment earnings, greater than \$100,000, are to be transferred to or from the Investment Income Stabilization Reserve, so a transfer of approximately \$781,000 was made in 2021 to this reserve. The purpose of this reserve is to mitigate the impact of annual fluctuations in investment returns, particularly due to the timing of liquidating the growth/equity investments as this gain will be required in future years to assist in stabilizing fluctuating returns due to the timing differences as well as any volatility in the markets.
  - Developer Contributed Assets: during 2021 several subdivisions were developed to the point that the County assumed significant infrastructure totaling approximately \$9.8 million. The value of these contributed assets, although built and paid for by the development, is recorded as revenue upon assumption by the County. As the timing and value of these assumed assets can vary significantly, year over year, these revenues are not typically budgeted by municipalities and as such are reported as a variance.
  - Development Charges Recognized: Since development charges collected on an annual basis are used directly for specifically identified growth related capital projects, these revenues can only be recognized/reported as income in the years the related project is constructed. Due to the timing and magnitude of the projects, the development charge revenue recognized on an annual basis can fluctuate considerably. As these revenues are recorded in the County’s books as reserve funds, there is no annual budget established. In 2021, revenues of \$4.7 million were recognized, related to 2021 growth related capital project expenditures, resulting in a favourable variance.

- Federal Gas Tax Revenue: In 2021 it was announced that the annual Federal Gas Tax transferred to municipalities would be doubled for the 2021 allocation only. As a result, the County received \$5.8 million in Federal Gas Tax funding in 2021. The County is required to allocate funds to specific projects. As a result of the timing of the Federal Gas Tax funded projects in 2021, approximately \$791,000 of this funding was utilized in 2021. It should be noted that though only \$791,000 was utilized in 2021, all funds received are budgeted to be utilized during the annual capital budgeting process, and under the terms of the Federal Gas Tax Agreement.
- Operating Expenditures: The total variance between actual expenditures compared to budget is approximately \$5.7 million favourable. The major drivers in expenditures for 2021 include the variances noted in Table 5 plus the net PSAB adjustments for tangible capital assets (i.e. non-capitalized expenditures) and adjustments for annual amortization.

Staff acknowledge that the above reporting of the annual “surplus” is confusing. **It must be emphasized that the PSAB reported net 2021 surplus of \$31.1 million is a book value adjustment, not a “cash” surplus.** Although the Province initiated a review in 2014 to evaluate the current disparities between internal reporting/budgeting and current PSAB annual reporting requirements, the overwhelming response from municipal representatives was to leave the current reporting requirements as is. It was also acknowledged that simpler methods of reconciling the differences and reporting to the public need to be developed to foster a better understanding of the municipality’s financial position and key financial components. This will be an evolving process with best practices and feedback from users of the financial statements leading the way.

### Analysis of 2021 Net Operating Surplus/(Deficit)

The table below provides a breakdown of the audited 2021 operating surplus (the “cash” surplus) by major function. In accordance with previous resolutions of Council, the net surplus/(deficit) from the operational areas denoted below are contributed to or transferred from various Reserves/Reserve Funds.

**TABLE 3 - 2021 Audited Operating Surplus/(Deficit)**

(a)	<b>Investment Income (in excess of \$100,000)</b>	<b>\$780,624</b>
(b)	<b>Additional <u>Safe Restart (Covid) Funding</u> – carried forward to 2023*</b>	<b>\$435,719</b>
	Tax Supported Operations	\$3,502,380
	Public Health	\$242,459
	Social Assistance/Child Care	\$384,973
	Social Housing	\$84,388
	Library	\$209,137
(c)	<b>Sub-Total – Tax Supported Operations (Table 4)</b>	<b>\$4,423,338</b>
(d)	Water Operations (Table 5)	\$193,435
(e)	Wastewater Operations (Table 6)	\$982,775
	<b>Sub-Total – Rate Supported Operations</b>	<b>\$1,176,210</b>
	<b>Total Operating Surplus/(Deficit)</b>	<b>\$6,815,891</b>

\*This value represents the net difference in the 2020 and 2021 ending balances in Safe Restart Funding. Full balance remaining as of December 31, 2021 is outlined in Table 4.

The total 2021 operating expenditures (combined tax supported and rate supported) were budgeted at approximately \$144.6 million. The above noted net operating surplus, excluding the annual net investment gains of \$781,000 represents a 4.7% positive variance in relation to Council’s approved budgeted expenditures. As these operations/funds have significantly different revenue sources and expenditure drivers, details of the significant variances in the individual areas/functions are provided below.

**A. Investment Income (in excess of \$100,000)**

As noted above and detailed in the May, 2022 annual Investment Report FIN-06-2022, as per the Investment Policy, variances in investment earnings or losses (budgeted tax supported investment earnings is \$1.6 million), greater than \$100,000, are to be transferred to or from the Investment Income Stabilization Reserve. As a result of favourable realized investment earnings totaling \$6.6 million in 2021, a transfer to the reserve of approximately \$781,000 was made in 2021. The purpose of this reserve is to mitigate the impact of annual fluctuations in investment returns, particularly due to the timing of liquidating the growth/equity investments as this gain will be required in future years to assist in stabilizing fluctuating returns due to the timing differences. The stabilization reserve is also used to offset any volatility in the investment markets. The audited balance in reserve at the end of 2021 was approximately \$2.6 million.

**B. Safe Restart (Covid) Funding**

In 2021, the County received approximately \$1.1 million in additional Safe Restarting funding related to expenditures or lost revenues as the result of the Covid-19 Pandemic. Approximately \$700,000 of funding was utilized in 2021, resulting in a balance at the end of 2021 of approximately \$1.5 million.

**TABLE 4 – Safe Restart (Covid) Funding**

	<b>2020</b>	<b>2021</b>
Opening Balance	-	1,077,225
Fund Received	2,532,800	1,142,248
<b>Total Funds Received</b>	<b>2,532,800</b>	<b>2,219,473</b>
<b>Funds Spent</b>		
Covid - Arena Lost Revenue	359,280	416,671
Covid - Pool Programs	-	32,988
Covid - P&I Lost Revenue	461,587	-
Covid - POA Lost Revenue	178,990	34,406
Covid - Admin	283,687	118,094
Covid - FAPO Students	13,030	13,210
Covid - Community Hall Payments	48,788	67,065
Covid - EOC Meeting Costs	39,594	4,194
Covid - Licenses (Marriage, Lottery, etc)	-	19,900
Covid - Tax Arrears Letters	70,619	-
<b>Funds Spent</b>	<b>1,455,575</b>	<b>706,528</b>
<b>Ending Balance</b>	<b>1,077,225</b>	<b>1,512,945</b>

The Safe Restart 2021 ending balance noted in Table 4 above is indicative of the unspent Safe Restart Funds as of December 31<sup>st</sup>, 2021. These funds were provided to municipalities to assist in the offsetting of non-public health related costs. The County has not yet received notification as to the future use of these funds and the unused balance of \$1.5 million is included as part of the County’s overall



Contingency Reserve. The Safe Restart funding amount noted in Table 3 is reflective of the net change in the ending balances from 2020 to 2021.

### **C. Net Tax Supported Operations**

Overall, the Tax Supported Operations reflect a 2021 surplus of approximately \$4.4 million. This net surplus represents a 3.6% favourable variance on approximately \$122.4 million of budgeted 2021 tax supported operating expenditures. The annual tax supported operational surplus has traditionally been approximately 3.1% and has been positive over the past five years (albeit, given Provincial COVID funding, the surpluses have been higher in 2020 and 2021).

Based on previous Council approval, any annual surplus/(deficit) is transferred to or from the applicable reserves, annual variances will impact the associated balances of these reserves but have no direct impact on the following year's tax levy. With respect to the general tax supported operations, a net surplus of \$3,502,380 was transferred to the Contingency Reserve, which has a balance of approximately \$19.5 Million at the end of 2021 (including the 2021 surplus and the net accumulated COVID surplus noted above). Although there are no set guidelines for an optimal balance, a typical rule of thumb is a minimum of 10% of tax supported operating costs. This would require, at a minimum, a balance of \$12.2 million. This reserve will be available for future years as a source of financing for unexpected events/liabilities and to offset any one-time costs. Any excess funds can be reallocated by a future Council for another one-time municipal purpose if so warranted.

The surplus is the net result of several favourable and unfavourable financial impacts on operations during the year. Significant items contributing to the overall surplus from Tax Supported Operations are detailed below.

**TABLE 5 - 2021 Tax Supported Operating Surplus/(Deficit)**

<b>2021 Tax Supported Operating Surplus/(Deficit)</b>	<b>Surplus/ (Deficit)</b>
<b>Revenues</b>	
Investment Surplus	100,000
Taxation - Penalties & Interest	407,719
Taxation - One-time Transition Mitigation Grant	183,327
Taxation - Supplementary Billings	267,355
Tax Sale - no tax sale in 2021, resumed in 2022	(55,360)
Finance Fees	36,399
Solid Waste Revenues (Blue Box Commodity Revenues \$308K, Tipping Fees \$200K, County share of Contracted Services Surplus - Leachate Treatment & Haulage - \$137K (net)	644,306
Roads - Aggregate Resources Grant higher than anticipated	101,794
Planning Fees - due to increase in development	250,785
Engineering & Inspection Fees - due to increase in development	164,615
Museum one-time COVID grant	75,856
<b>Subtotal Revenues</b>	<b>2,176,796</b>
<b>Expenditures</b>	
Salaries & Benefits - Corporate wide (including professional development, travel, etc.)	1,529,620
Corporate Legal Fees	(78,613)
Taxation Adjustments	97,400
IT Maintenance Contracts	(42,960)
Policing - Contract (\$74K deficit); Fees (\$49,700 deficit); Grant (\$36,620 surplus)	(65,709)
Protest Costs (seeking potential recovery)	(324,851)
Various one-time Emergency Response activity in 2021, partially offset by contingency reserve	(242,479)
Roads - Materials	90,959
Street Lighting	(32,146)
Fleet - Materials	75,822
Fleet - Contracted Services	150,606
Winter Control - Sand and Salt	(341,338)
Winter Control - Contracted Services	45,208
Child Crossing contract savings - reductions due to COVID school closures	110,939
Arena Hydro – partially due to COVID closures	172,149
Miscellaneous Hydro accounts	83,154
Miscellaneous Items under \$25,000	(97,824)
<b>Subtotal Expenditures</b>	<b>1,325,584</b>
<b>Total 2021 Tax Supported Operating Surplus/(Deficit)</b>	<b>3,502,380</b>
Public Health	242,459
Social Assistance/Child Care	384,973
Social Housing	84,388
Library Operations	209,137
<b>Total Net Tax Supported Operations Surplus</b>	<b>4,423,338</b>

Note: Above table excludes items that net to \$0 levy impact (e.g. additional revenues offset by transfers to reserves or additional costs).

## D. Water and Wastewater Operations

The combined 2021 Water and Wastewater Operations net surplus is approximately \$1.18 million on total budgeted operating expenditures of \$22.2 million. This represents a positive variance of 5.3%. However, as the water systems are self-funded specifically from the direct users of that system, as are the wastewater systems (which in some cases are not the same users), the variance must be further segregated between water and wastewater operations.

The 2021 water operations reflected a \$193,435 surplus on budgeted expenditures of approximately \$12.8 million (1.5%), and wastewater operations had a surplus of \$982,775 on budgeted expenditures of approximately \$9.4 million (10.4%). A further breakdown of the significant variances is provided as follows (Table 6 for Water and Table 7 for Wastewater.)

**TABLE 6 - 2021 Rate Supported Operating Surplus/(Deficit) - WATER**

<b>2021 Rate Supported Operating Surplus/(Deficit) - WATER</b>	
<b>Revenues</b>	<b>Surplus/ (Deficit)</b>
Bulk Water Sales	191,902
Engineering & Inspection Fees	63,367
Water meter installations	25,802
Residential Consumption	201,539
Large Industrial Consumption	165,508
Regular Commercial Consumption	(47,975)
<b>Subtotal Revenues</b>	<b>600,142</b>
<b>Expenditures</b>	
Salaries & Wages Gapping (includes professional development, travel, meeting expenses)	157,245
Hydro	68,756
Hamilton Water Contract	(602,405)
Maintenance & Repair Services & Supplies	38,403
Miscellaneous Items Under \$25K	(68,706)
<b>Subtotal Expenditures</b>	<b>(406,707)</b>
<b>Net Water Surplus</b>	<b>193,435</b>

Water operational revenues are significantly impacted by consumption patterns. Extreme wet or dry conditions can dramatically impact consumption, particularly for residential users. Although there has been a downward trend in average residential consumption in recent years, as a result of water conservation measures, an increase in the number of users has offset this reduction and the County is starting to experience increases in annual consumption. Staff will continue to monitor this trend and incorporate it into future budget analysis as required. In 2021 the meter that was used to gather consumption data for billing our water from the City of Hamilton was found to be faulty. As a result, this meter was replaced and it was determined that the consumption usage is substantially higher than previously reported. This has resulted in a substantial deficit in this area for 2021. Staff incorporated the new expected consumption in the 2022 budget, along with some mitigation measures (i.e. use of the Rate Stabilization Reserve) in order to offset this large increase to the water users. Net water operating surpluses are transferred to the Water Rate Stabilization Reserve, which has a balance of approximately \$3.1 million at December 31, 2021.

## E. Wastewater

**TABLE 7 - 2021 Rate Supported Operating Surplus/(Deficit) - WASTEWATER**

<b>2021 Rate Supported Operating Surplus/(Deficit) - WASTEWATER</b>	
<b>Revenues</b>	<b>Surplus/ (Deficit)</b>
Solid Waste Disposal- due private solid waste disposal agreement (one-time)	309,576
Septic/Holding Tank Surplus	23,794
Engineering & Inspection Fees	25,387
Water Meter Installations	23,048
Residential Base Charges	25,202
Regular Commercial Base Charges	(152,865)
Residential Consumption	279,631
Large Industrial Consumption	154,028
Regular Commercial Consumption	(40,667)
<b>Subtotal Revenues</b>	<b>647,134</b>
<b>Expenditures</b>	
Salaries & Benefits (including professional development, travel and meeting expenses	109,100
Veolia Operating Contract	65,632
Hydro	142,709
Taxes & Local Improvements – Supplementary Taxes at various County properties	(94,506)
Miscellaneous Items Under \$25K	112,706
<b>Subtotal Expenditures</b>	<b>335,641</b>
<b>Net Wastewater Surplus</b>	<b>982,775</b>

The majority of water users also have wastewater services, a number of these customers (approximately 200 users including several large industrial users) only have water services. As a result, annual fluctuations in water consumption may not have the same corresponding impact on wastewater revenues, though for 2021 there were surpluses in residential consumption for both water and wastewater customers, and deficits in regular commercial consumption. The net wastewater surplus is transferred to the Wastewater Rate Stabilization Reserve, which has a balance of approximately \$2.9 million as at December 31, 2021.

As detailed above, the operating surplus/(deficits) in water and wastewater operations are transferred to or funded from the applicable rate stabilization reserve. A multi-year plan has been established to ensure these reserves have sufficient funds to cover annual fluctuations in operations. The impact of the current year's surplus or deficit will be re-evaluated with future operating budget reviews.

### Summary of Operational Variances:

To summarize the above analysis, although there are significant variations in certain revenue sources or expenditures in many operational areas, staff worked diligently during the 2021 calendar year to offset most of the negative fluctuations through changes to approved expenditure plans. The end result is limited net surpluses and deficits in most controllable operational areas. Some of these fluctuations can be expected as a historical recurrence (for example, salary gapping) or unpredictable (for example, winter control), so variances should be anticipated as a normal result of such diverse operations. Finding significant expenditure savings to mitigate repeated revenue shortfalls or expenditure overruns is not a realistic solution on an ongoing basis without a negative impact on service delivery. Steps have and will continue to be taken to deal with the revenue shortfalls and re-occurring expenditure overruns that the County is experiencing in certain areas of its operations. On the other hand, areas of continued surplus also need to be re-examined to ensure the annual operating budget is not too conservative

from a tax levy and user rates perspective. This will be an ongoing focus of future budget reviews, both from a preparation and monitoring perspective, in order to ensure the sustainability of the County's operations and service delivery.

### **FINANCIAL/LEGAL IMPLICATIONS:**

The transfer of the audited 2021 operating surpluses (or funding of deficits) to or from various reserves or reserve funds provides a means of ensuring the prior year's variance is not carried forward to the future year's budget. The reserves and reserve funds also provide a source of financing for unexpected or future expenditures and are particularly appropriate to fund one-time costs. During the preparation of the annual operating budgets, the balances in the respective reserves and reserve funds are evaluated and plans are recommended to replenish these funds where necessary.

### **STAKEHOLDER IMPACTS:**

Division Managers review their budgets regularly during the year and attempt to mitigate variances within their relevant operations to the best of their ability.

### **REPORT IMPACTS:**

Agreement: No

By-law: No

Budget Amendment: No

Policy: No

### **ATTACHMENTS:**


1. Building Division Statement of Activities 2010-2021
2. Parkland Dedication Reserve Fund Statement of Activities 2021
3. Auditors Report from Millard, Rouse & Rosebrugh, dated November 1, 2022, accompanied by a copy of Haldimand County's 2021 Audited Financial Statements



**Corporation of Haldimand County**  
Building Division  
Statement of Activities 2011 - 2021

<u>January 1st to December 31st</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>
<b>Revenues:</b>											
Building Permits	725,620	1,502,558	1,527,622	1,565,168	1,333,386	1,661,880	2,290,725	1,106,725	1,432,586	1,543,472	2,841,225
Plumbing Permits							-	57,631	57,932	85,827	135,301
Septic Inspections	12,987	15,537	15,235	15,572	14,858	16,787	20,980	18,946	28,750	26,855	24,078
Provincial Student Grant	312						-	-	-		
<b>Total Revenues</b>	<b>738,918</b>	<b>1,518,095</b>	<b>1,542,857</b>	<b>1,580,740</b>	<b>1,348,244</b>	<b>1,678,667</b>	<b>2,311,705</b>	<b>1,183,302</b>	<b>1,519,268</b>	<b>1,656,154</b>	<b>3,000,604</b>
<b>Less Expenses:</b>											
Direct Costs	(600,028)	(577,159)	(653,354)	(599,915)	(620,022)	(670,871)	(861,709)	(1,264,861)	(1,171,035)	(1,439,748)	(1,488,852)
Indirect Costs	(176,220)	(180,870)	(176,210)	(172,220)	(178,660)	(194,710)	(205,510)	(218,411)	(225,470)	(224,259)	(284,130)
<b>Total Expenses</b>	<b>(776,248)</b>	<b>(758,029)</b>	<b>(829,564)</b>	<b>(772,135)</b>	<b>(798,682)</b>	<b>(865,581)</b>	<b>(1,067,219)</b>	<b>(1,483,273)</b>	<b>(1,396,505)</b>	<b>(1,664,006)</b>	<b>(1,772,982)</b>
<b>Contribution to/(from) Building Permit Cost Stabilization Reserve Fund</b>	<b>(37,330)</b>	<b>760,067</b>	<b>713,293</b>	<b>808,605</b>	<b>549,562</b>	<b>813,087</b>	<b>1,244,486</b>	<b>(299,971)</b>	<b>122,763</b>	<b>(7,852)</b>	<b>1,227,622</b>
<b>Continuity of Building Permit Cost Stabilization Reserve Fund</b>											
Opening Balance - January 1st	125,512	92,371	857,089	1,589,453	2,441,959	3,041,573	3,975,100	5,278,545	5,064,031	5,369,727	5,512,358
Transfer to/(from) Reserve	(37,330)	760,067	713,293	808,605	549,562	813,087	1,244,486	(299,971)	122,763	(7,852)	1,227,622
Interest	4,189	4,651	19,072	43,901	50,053	120,441	58,959	85,456	182,933	150,484	164,558
Closing Balance - December 31st	<b>92,371</b>	<b>857,089</b>	<b>1,589,453</b>	<b>2,441,959</b>	<b>3,041,573</b>	<b>3,975,100</b>	<b>5,278,545</b>	<b>5,064,031</b>	<b>5,369,727</b>	<b>5,512,358</b>	<b>6,904,538</b>

*This statement is presented in accordance with Section 7(4) of the Building Code Act (the "Act") and related Ontario Regulations in relation to fees authorized under Section 7(1)(c) of the Act.*

 <b>Haldimand</b> County		<b>Corporation of Haldimand County</b> <b>Parkland Dedication Reserve Fund</b> Statement of Activities 2021
<u>January 1st to December 31st</u>		<u>2021</u> <u>(\$)</u>
<b>Continuity of Parkland Reserve Fund</b>		
Opening Balance - January 1st		<b>776,545</b>
<b>Sources of Funds:</b>		
Park Dedication Payments		29,358
Interest Earned		24,275
<b>Total Source of Funds</b>		<b>53,633</b>
<b>Use of Funds*</b>		
Amounts Transferred to Capital (or Other) Funds (1)		
<b>Total Use of Funds</b>		<b>0</b>
<b>Closing Balance - December 31st</b>		<b>830,178</b>
<i>(1) See Attachment 1 for details</i>		
<i>This statement is presented in accordance with Section 37 (5)-(10) and 42 (17)-(20) of the Planning Act (the "Act").</i>		

**PARKLAND RESERVE FUND STATEMENT  
THE CORPORATION OF HALDIMAND COUNTY  
FOR THE YEAR 2021**

Capital Project	Parkland Reserve Fund Draw	Development Charges - Leisure Services	Other Reserves Fund Draw	Grants, Subsidies, Other Contributions	Total 2020 Funding
					-
<b>Totals</b>	\$ -	\$ -	\$ -	\$ -	\$ -



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



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

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

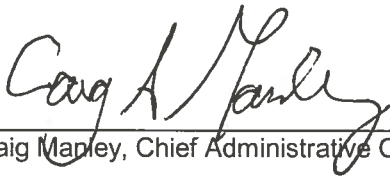
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The consolidated financial statements of The Corporation of Haldimand County have been prepared in accordance with Canadian Public Sector Accounting Standards. When alternative accounting methods exist, management has chosen those it deems most appropriate 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.



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Craig Mapley, Chief Administrative Officer



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

Cayuga, Ontario  
November 1, 2022

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## INDEPENDENT AUDITOR'S REPORT

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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
<b>FINANCIAL ASSETS</b>		
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
	<b>254,724,811</b>	216,280,049
<b>LIABILITIES</b>		
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
	<b>140,980,679</b>	124,721,841
<b>NET FINANCIAL ASSETS</b>	<b>113,744,132</b>	91,558,208
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 9)	510,945,013	501,912,101
Prepaid expenses	305,957	345,714
Inventory	623,100	691,760
	<b>511,874,070</b>	502,949,575
<b>ACCUMULATED SURPLUS (Note 10)</b>	<b>\$625,618,202</b>	\$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)		
<b>REVENUES</b>			
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
	<b>136,468,640</b>	<b>157,894,245</b>	<b>155,621,684</b>
<b>Expenses</b>			
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
	<b>132,434,067</b>	<b>126,783,826</b>	<b>125,877,929</b>
<b>ANNUAL SURPLUS</b>	<b>4,034,573</b>	<b>31,110,419</b>	<b>29,743,755</b>
<b>Accumulated surplus - beginning of year</b>	<b>594,507,783</b>	<b>594,507,783</b>	<b>564,764,028</b>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$598,542,356</b>	<b>\$625,618,202</b>	<b>\$594,507,783</b>

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)		
<b>ANNUAL SURPLUS</b>	<b>\$ 4,034,573</b>	<b>\$ 31,110,419</b>	<b>\$ 29,743,755</b>
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
	<b>(5,366,610)</b>	<b>(8,924,495)</b>	<b>(13,016,121)</b>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>(1,332,037)</b>	<b>22,185,924</b>	<b>16,727,634</b>
Net financial assets - beginning of year	<b>91,558,208</b>	<b>91,558,208</b>	<b>74,830,574</b>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<b>\$ 90,226,171</b>	<b>\$ 113,744,132</b>	<b>\$ 91,558,208</b>

See accompanying notes



# The Corporation of Haldimand County

## Consolidated Statement of Cash Flow

Year ended December 31, 2021

	2021	2020
<b>OPERATING ACTIVITIES</b>		
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
	<b>56,726,470</b>	<b>54,771,418</b>
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
	<b>12,982,838</b>	<b>(7,745,479)</b>
Cash flow from operating activities	<b>69,709,308</b>	<b>47,025,939</b>
<b>CAPITAL ACTIVITIES</b>		
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	<b>(34,648,962)</b>	<b>(38,463,551)</b>
<b>FINANCING ACTIVITIES</b>		
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	<b>1,560,077</b>	<b>(7,552,250)</b>
<b>INCREASE IN CASH FLOW</b>	<b>36,620,423</b>	<b>1,010,138</b>
Cash - beginning of year	<b>196,028,570</b>	<b>195,018,432</b>
<b>CASH - END OF YEAR</b>	<b>\$232,648,993</b>	<b>\$196,028,570</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 23,167,760	\$ 15,081,071
Investments	209,481,233	180,947,499
	<b>\$232,648,993</b>	<b>\$196,028,570</b>

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
	<b>117,220,337</b>	<b>114,481,233</b>	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
	<b>\$228,279,337</b>	<b>\$209,481,233</b>	\$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
	<b>\$ 12,090,400</b>	<b>\$ 12,956,900</b>

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
	<b>\$ 15,388,638</b>	<b>\$ 22,303,463</b>	<b>\$ 610,039</b>	<b>\$ (9,554,749)</b>	<b>\$ 28,747,391</b>

**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	<b>\$ 610,222</b>	\$ 467,555
Closed landfill site rehabilitation and monitoring	<b>14,375,018</b>	15,074,412
	<b>\$ 14,985,240</b>	\$ 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:	<b>\$ 63,964,393</b>	\$ 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	<b>7,641,438</b>
2023	<b>7,662,438</b>
2024	<b>6,798,118</b>
2025	<b>6,822,118</b>
2026	<b>6,851,118</b>
Thereafter	<b>27,919,163</b>
	<b><u>\$ 63,694,393</u></b>

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**

**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	<b>\$ 956,780,061</b>
Additions	360,150	1,891,023	2,771,888	19,525,064	4,311,867	17,255,832	<b>46,115,824</b>
Disposals	-	-	(144,862)	(6,731,043)	(1,469,325)	-	<b>(8,345,230)</b>
Transfer to capital assets	-	-	-	-	-	(11,309,818)	<b>(11,309,818)</b>
<b>Cost, end of year</b>	<b>14,675,144</b>	<b>74,147,833</b>	<b>178,396,780</b>	<b>571,359,838</b>	<b>104,745,328</b>	<b>39,915,914</b>	<b>983,240,837</b>
Accumulated amortization, beginning of year	-	35,522,706	54,738,057	314,339,604	50,267,593	-	<b>454,867,960</b>
Amortization	-	1,618,805	3,640,430	14,491,451	5,310,645	-	<b>25,061,331</b>
Disposals	-	-	(144,862)	(6,126,284)	(1,362,321)	-	<b>(7,633,467)</b>
<b>Accumulated amortization, end of year</b>	<b>-</b>	<b>37,141,511</b>	<b>58,233,625</b>	<b>322,704,771</b>	<b>54,215,917</b>	<b>-</b>	<b>472,295,824</b>
<b>Net carrying amount, end of year</b>	<b>\$14,675,144</b>	<b>\$ 37,006,322</b>	<b>\$ 120,163,155</b>	<b>\$ 248,655,067</b>	<b>\$ 50,529,411</b>	<b>\$39,915,914</b>	<b>\$ 510,945,013</b>

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

**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)
<b>Net investment in tangible capital assets</b>	<b>450,859,329</b>	<b>437,748,523</b>
<b>BIA surpluses</b>	<b>121,894</b>	<b>121,894</b>
<b>Reserves and reserve funds - Operating</b>		
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
	<b>41,608,288</b>	<b>35,182,544</b>
<b>Reserves and reserve funds - Capital</b>		
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
	<b>67,218,782</b>	<b>63,391,847</b>
<b>Subtotal - Reserves and reserve funds</b>	<b>108,827,070</b>	<b>98,574,391</b>
<b>Hydro legacy fund</b>	<b>90,050,313</b>	<b>86,586,840</b>
<b>Community vibrancy fund</b>	<b>(9,096,504)</b>	<b>(10,319,377)</b>
<b>WSIB reserve fund held jointly with Norfolk County (gross amounts)</b>	<b>358,477</b>	<b>376,350</b>
<b>Unfunded liabilities</b>		
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)
	<b>(15,502,377)</b>	<b>(18,580,838)</b>
	<b>\$ 625,618,202</b>	<b>\$ 594,507,783</b>

# 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
	<b>\$ 2,956,770</b>	<b>\$ 1,027,480</b>	<b>\$ 6,371,332</b>

### 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
	<b>\$ 17,493,740</b>	<b>\$ 22,572,590</b>	<b>\$ 25,286,401</b>

### 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
	<b>\$ 7,403,130</b>	<b>\$ 26,540,842</b>	<b>\$ 20,836,645</b>

# 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.



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# The Corporation of Haldimand County

## Notes to Consolidated Financial Statements

### Year ended December 31, 2021

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#### 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:

	<b>2021</b>
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.

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# The Corporation of Haldimand County

## Notes to Consolidated Financial Statements

### Year ended December 31, 2021

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#### 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**

**21. SEGMENTED INFORMATION (continued)**

	General Government	Protection Services	Transportation Services	Environmental Services	Social and Family Services	Other Services	Consolidated 2021
<b>Revenue</b>							
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
	<b>35,355,374</b>	<b>2,723,468</b>	<b>1,594,683</b>	<b>23,905,306</b>	<b>11,068,395</b>	<b>6,272,691</b>	<b>80,919,917</b>
<b>Expenses</b>							
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	-
	<b>8,159,268</b>	<b>18,093,745</b>	<b>36,656,505</b>	<b>26,027,087</b>	<b>13,892,708</b>	<b>23,954,513</b>	<b>126,783,826</b>
<b>Surplus (deficiency) of revenue over expenses for the year financed by net municipal levy</b>	<b>\$27,196,106</b>	<b>\$ (15,370,277)</b>	<b>\$ (35,061,822)</b>	<b>\$ (2,121,781)</b>	<b>\$ (2,824,313)</b>	<b>\$ (17,681,822)</b>	<b>\$ (45,863,909)</b>
<b>Taxation revenue</b>							<b>76,974,328</b>
<b>Annual surplus</b>							<b>\$ 31,110,419</b>

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

[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
<b>REVENUE</b>			
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
	<b>133,280</b>	<b>129,386</b>	119,170
<b>EXPENSES</b>			
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
	<b>2,480,230</b>	<b>2,246,652</b>	2,050,747
<b>DEFICIENCY OF REVENUE OVER EXPENSES BEFORE UNDERNOTED ITEMS</b>			
	<b>(2,346,950)</b>	<b>(2,117,266)</b>	<b>(1,931,577)</b>
Transfer from reserves	227,520	204,904	206,842
Transfer to reserves	(318,900)	(525,967)	(702,715)
	<b>(91,380)</b>	<b>(321,063)</b>	<b>(495,873)</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR, FINANCED BY NET MUNICIPAL LEVY</b>			
	<b>\$ (2,438,330)</b>	<b>\$ (2,438,329)</b>	<b>\$ (2,427,450)</b>

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
<b>REVENUE</b>			
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	-	-
	<b>90,950</b>	<b>147,684</b>	<b>86,663</b>
<b>EXPENSES</b>			
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	-
	<b>431,420</b>	<b>410,664</b>	<b>353,506</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES BEFORE UNDERNOTED ITEMS</b>	<b>(340,470)</b>	<b>(262,980)</b>	<b>(266,843)</b>
Transfer from reserves	-	-	-
<b>DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR FINANCED BY NET MUNICIPAL LEVY</b>	<b>\$ (340,470)</b>	<b>\$ (262,980)</b>	<b>\$ (266,843)</b>

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, 2021**



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## INDEPENDENT AUDITOR'S REPORT

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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.

November 1, 2022  
Simcoe, Ontario

*Millard, Rouse & Rosebrugh LLP*

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

# The Corporation of Haldimand County

## Balance Sheet - Trust Funds Year ended December 31, 2021

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

# 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
<b>RECEIPTS</b>					
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
<b>Disbursements</b>					
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
<b>NET RECEIPTS (DISBURSEMENTS) FOR THE YEAR</b>					
	35,209	(5,883)	(16,681)	12,645	43,079
<b>Trust fund balance - beginning of year</b>					
	1,333,637	99,844	140,150	1,573,631	1,530,552
<b>TRUST FUND BALANCE - END OF YEAR</b>					
	\$ 1,368,846	\$ 93,961	\$ 123,469	\$ 1,586,276	\$ 1,573,631

See accompanying notes to financial statements

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**The Corporation of Haldimand County**  
**Notes to the Trust Funds Financial Statements**  
**Year ended December 31, 2021**

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**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.