
HALDIMAND COUNTY

Report FIN-15-2025 Audited Financial Statements for 2024

For Consideration by Council in Committee on August 26, 2025



Objective:

To present the audited 2024 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, 2024.

Recommendations:

1. THAT Report FIN-15-2025 Audited Financial Statements for 2024 be received;
2. AND THAT the consolidated financial statements, including the Trust Fund Statements, for Haldimand County for 2024, as audited by Millard, Rouse and Rosebrugh LLP, be approved.

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

Reviewed by: Tareq El-Ahmed, CPA, Treasurer

Approved: Mark Merritt, CPA, CA, Interim Chief Administrative Officer

Executive Summary:

Highlights from the 2024 audited financial statements (presented under separate cover) are as follows:

- **Investment Portfolio:** As outlined in the annual investment report to Council in April 2025, the total book value of the County's investments portfolio, as of December 31, 2024, was \$264.4 million, which is comprised of \$158.7 million in fixed income investments and \$105.7 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 two growth-related investments in 2024, and reinvested the combined \$28 million principal into two new seven-year growth Principal Protected Bank Notes. As reported in FIN-07-2025 Investment Status report – December 31, 2024, the realized return for 2024 was \$11.6 million or 4.44%. This portfolio, coupled with strong annual returns has led to increased liquidity, revenue and financial flexibility.
- **Substantial Investment in Infrastructure:** The County invested approximately \$59 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 \$59 million. At the end of 2024, the historical cost of the County's infrastructure was estimated at approximately \$1.15 billion.
- **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, 2024, were \$122.8 million which represents an increase of approximately \$3.7 million over the previous year. This excludes both our Hydro Legacy Fund of \$101.3 million, which increased \$3.9 million over 2023, as well as our Community Vibrancy Fund which has a negative balance of \$5.3 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 2024. 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 2024 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.

2024 Audited Operating Surplus/(Deficit)

Investment Income (in excess of \$100,000)		\$2,284,160
Tax Supported Operations		\$4,206,993
Rate Supported Operations		
Water Operations	445,653	
Wastewater Operations	(963,852)	(\$518,199)
Total Operating Surplus/(Deficit)		\$5,972,954

The presentation of the 2024 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.

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 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 municipalities in Ontario, 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.

At this point in time, staff present the operational financial results to Council on two 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:

- 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 year-end financial statements: actual surpluses and deficits are identified and major drivers are summarized.

It is staff's intent to have more regular in-year reporting as we implement more features of the County's financial software systems.

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

- a) Summarize the required adjustments to meet PSAB reporting requirements, as they are reflected in the accompanying audited financial statements; and
- b) 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 2024 Consolidated Financial Statements. The audited statements are provided as Attachment 3 to this report and will be presented by the auditor at the August 26th 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 2024 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 2024 to meet PSAB reporting requirements.

TABLE 1 - Adjustments required and the resulting amended “budget”

<u>Description</u>	<u>2024</u>
Budget surplus for the year adopted by Council (*)	\$0
Add:	
Budgeted transfers to accumulated surplus	\$40,088,230
Principal payments on debt	\$7,239,769
Less:	
Budgeted transfers from accumulated surplus	\$(8,975,840)
Budgeted transfers from capital fund	\$(532,080)
Amortization	\$(27,134,790)
Budget surplus per Consolidated Statement of Operations	\$10,685,289

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

As shown above, most of the PSAB related budget transfers to surplus are 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 2024, 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 2024 Tax Supported Operating Budget, certain annual expenditures are not required to be budgeted, 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 2024 fiscal year of \$6.0 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 2024 audited financial statements is approximately \$20.4 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 2024 Surplus Increase/(Decrease)
Revenue Fund - tax supported and water/wastewater operations (details analyzed in Table 3)	5,972,954
Add Net Capital and Reserve Fund Operations:	
Capital Fund (work in progress to be funded)	(10,897,269)
Reserves/Reserve Funds (net transfers)	10,507,896
Sub-total per Internal Financial statements	\$5,583,581
Adjustments for PSAB Audited Financial Statements	
Principal debt repayments	7,239,769
Debt proceeds	-
BIA (net operations)	24,211
Decrease (increase) in ARO	(17,785,091)
Capital costs capitalized during the year	37,990,453
Capital costs included in WIP	20,754,430
Amortization of capital assets	(27,134,790)
Net cost associated with the disposal of capital assets	(195,231)
Increase in post-employment and sick leave liability	(235,500)
Decrease (increase) in WSIB liability	305,900
Decrease (increase) in deferred revenue (obligatory reserves)	(6,176,650)
Surplus Reported on Audited Financial Statements	\$20,371,082

Net Capital and Reserve Fund Operation:

The Net Capital Fund of (\$10,897,269) is the sum of all the capital fund transactions (revenues net of expenses) for 2024. The Reserves and Reserve Funds balance of \$10.5 million is a net 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). In 2023, the County updated the actuarial reviews related to post-employment benefits and WSIB liability. While both actuarial reviews included estimates for 2023 through to 2025, the County is now completing an actuarial update for WSIB on an annual basis. As such, the 2024 statements include estimates in line with the 2023 review for post-employment and an updated value for WSIB based on the review completed for 2024.

Some of the more significant 2024 operating variances included in the audited Financial Statements for PSAB purposes (under separate cover), totaling \$20.4 million, are as follows:

- a) **Operating Revenues:** The total variance between actual revenues compared to budgeted revenues is approximately \$29.5 million favourable variance. The main contributing factors to the reported variance is related to:
- i. **Investment Income:** as detailed in the Investment Status Report to Council in May 2025, upon review by the Investment Committee and with the assistance/advice of the County's Investment manager, the County liquidated two growth-related investments in 2024, and reinvested the combined \$28 million principal into two new seven-year growth Principal Protected Bank Notes. As reported in FIN-07-2025 Investment Status report – December 31, 2024, the realized return for 2024 was \$11.6 million or 4.44%. 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 \$2,284,160 was made in 2024 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.
 - ii. **Developer Contributed Assets:** during 2024 there were a couple of developer related assets (i.e. subdivisions) that were developed to the point that the County assumed significant infrastructure totaling approximately \$8.2 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.
 - iii. **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 2024, revenues of \$4.8 million were recognized, related to 2024 growth related capital project expenditures, resulting in a favourable variance.
 - iv. **Ministry of Health and Long-term Care Operating Grants:** the standard funding envelopes for Grandview Lodge received a higher than average increase in 2024, resulting in a positive budget variance of \$1.3 million.
 - v. **Canada Community-Building Fund Revenue (CCBF) - formerly Federal Gas Tax Revenue:** the County received \$3.1 million in funding in 2024. The County is required to allocate funds to specific projects. As a result of the timing of the CCBF funded projects in 2024, approximately \$1.1 million of this funding was utilized in 2024. It should be noted that though only \$1.1 million was utilized in 2024, all funds received are budgeted to be utilized during the annual capital budgeting process, and under the terms of the CCBF Agreement.

- b) **Operating Expenditures:** The total variance between actual expenditures compared to budget is approximately \$19.8 million unfavourable. The majority of this variance is attributed to a re-estimation of the Asset Retirement Obligation (ARO), specifically as it relates to landfills. Further analysis was completed for 2024, resulting in additional expenses being attributed to this liability (approximately \$18 million). As noted in the financial statements, there is significant measurement uncertainty pertaining the estimation of liabilities for asset retirement obligations, and as this new reporting requirement evolves and better information is obtained, adjustments to these estimates can be expected. Other drivers in expenditures for 2024 include the variances noted in Tables 3, 4 and 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 2024 surplus of \$20.4 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 2024 Net Operating Surplus/(Deficit)

The table below provides a breakdown of the audited 2024 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 - 2024 Audited Operating Surplus/(Deficit)

(a)	Investment Income (in excess of \$100,000)	\$2,284,160
	Tax Supported Operations	3,810,959
	Public Health	52,933
	Social Assistance/Child Care	41,321
	Social Housing	190,491
	Library	111,289
(b)	Sub-Total – Tax Supported Operations (detailed in Table 4)	\$4,206,993
(c)	Water Operations (detailed in Table 5)	\$445,653
(d)	Wastewater Operations (detailed in Table 6)	(\$963,852)
	Sub-Total – Rate Supported Operations	(\$518,199)
	Total Operating Surplus/(Deficit)	\$5,972,954

The total 2024 operating expenditures (combined tax supported and rate supported) were budgeted at approximately \$185.7 million. The above noted net operating surplus, excluding the annual net investment surplus of \$2,248,160 represents a 1.99% 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 annual Investment Report FIN-07-2025, 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 a favourable realized investment earnings totaling \$11.6 million in 2024, a transfer to the reserve of \$2,284,160 was made in 2024. 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 2024 was approximately \$8.2 million

B. Net Tax Supported Operations

Overall, the Tax Supported Operations reflect a 2024 surplus of approximately \$4.2 million. This net surplus represents a 2.7% favourable variance on approximately \$157.9 million of budgeted 2024 tax supported operating expenditures. The annual tax supported operational surplus has traditionally been approximately 3.5% and has been positive over the past five years (albeit, given Provincial COVID funding, the surpluses have been higher in recent years).

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 \$3,810,959 was transferred to the Contingency Reserve, which has a balance of approximately \$27.7 million at the end of 2024. 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 \$15.8 million. Staff are working on completing a comprehensive updated reserve and reserve fund policy to provide further consistency and oversight to the use and application of these funding resources.

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 in Table 4 below. A number of these variances have been addressed through changes in the 2025 Tax Supported Operating Budget.

Noteworthy variances in 2024 include:

- a) **Grandview Lodge Grant Funding:** annual increases related to the major funding envelopes have historically been around 2%. In 2024, this funding saw an above average increase of 6.6% overall. This increase has resulted in a large surplus in grant funding compared to the expected budget in 2024. It is important to note that although the funding was higher than expected, it did not result in excess available funding, as a significant portion of the operations at Grandview Lodge are supported by the levy. A 2.5% estimated increase was utilized build the 2025 funding envelope, and a recent notification has revealed that the net increase received by the province for 2025 is 2.1%, which is more in line with pre-2024 increases.
- b) **Taxation Penalty and Interest Revenues:** there have been historical surpluses in recent years related to this revenue source, including a nearly \$400,000 surplus in 2024. As a result of this trend, the 2025 Tax Supported Budget was increased by this revenue source by \$200,000.
- c) **Supplementary Taxation Revenues:** a trend in supplementary taxation billings has resulted in a surplus in this revenue source of \$736,800 in 2024. As a result in this upward trend in supplementary taxation revenue, the 2025 Tax Supported Operating Budget was increased by \$300,000.
- d) **Taxation Postage Fees:** the deficit of \$40,000 in postage fees in 2024 resulted in a need to increase the budget in 2025. The increase in 2025 of \$56,000 was due in part to the historical

trending, as well as increased postage fees in effect January 1st, 2025.

- e) **Winter Control:** Sand and Salt – a surplus of nearly \$400,000 was realized in 2024 in this service area. This surplus is down from the surplus of \$1.6 million realized in 2023. Staff continually monitor weather trends in order to best predict an appropriate budget level. This analysis was completed as part of the 2025 budget cycle, and no major amendments were deemed necessary. Staff will continue to monitor the trends in this area.
- f) **Maintenance & Repair Services:** a corporate wide deficit of \$109,000 was realized in 2024, mainly in facilities and parks. As a part of the budget review for 2025, the maintenance and repair budgets for facilities and parks was increased by \$64,000 to better reflect the ongoing needs in this area.
- g) **Policing Contract:** a deficit of \$130,000 in the policing contract was realized in 2024, as the result of a prior year contract reconciliation. Though there have been a lot of changes to the policing contract in 2025, one thing staff have now included in the annual budget is an estimate of the prior year reconciliation that is typically received after the yearend pertaining to the reconciliation has closed. Although staff are still unclear as to how the significant changes to the policing contract will continue to impact the municipal budget, we are actively monitoring and engaging with relevant contacts in order to gain an understanding of the potential impacts as soon as possible.

TABLE 4 - 2024 Tax Supported Operating Surplus/(Deficit)

2024 Tax Supported Operating Surplus/(Deficit)		Surplus/(Deficit)
Revenues		
Government Grants		
Taxation- One-time Transition Mitigation Grant	183,327	
Roads Aggregate Resource Grant	86,412	
Blue Box Funding - for transitional promotional expenses	67,583	
Grandview Lodge - higher increase than budgeted	1,343,695	
Community Paramedics - Prior year adjustment for ineligible expenses	(92,859)	
Total Government Grants		\$1,588,158
User Fees and Charges		
GVL - Resident Revenue - amount received for basic resident revenue was less than budgeted	(265,331)	
Engineering/Inspection Fees	195,678	
Policing - Police Check Revenues	44,853	
Finance Fees - Transfer to Taxes, Lawyers Certificates, etc.	107,420	
Arena Ice Time (Caledonia - \$133K, Cayuga \$59K, Dunnville \$33K, Hagersville \$19K)	243,325	
Road Permits	26,407	
Solid Waste Tipping Fees	76,452	
Planning Fees	(73,451)	
Emergency Services - Subrogation Recoveries	(90,971)	
Total User Fees and Charges		\$264,383
Fines and Penalties		
Taxes Penalty and Interest	398,726	
Provincial Offences Act-Fines	(57,045)	
Total Fines and Penalties		\$341,681

Property Tax Revenue		
Supplementary Billings	736,806	
Taxation Revenue - Payment in Lieu of Taxation	64,368	
Total Property Tax Revenue		\$801,174
Investment Surplus		\$100,000
Social Assistance Stabilization Reserve - one-time funding not required		(\$39,800)
Subtotal, Revenues		\$3,055,595
Expenditures		
Salaries & Benefits (including professional development, travel & offsetting funding)		\$970,940
Materials		
General Materials & Supplies - Roads	123,179	
Postage -Tax Billings	(40,474)	
Accounts Receivable Write Offs	(30,262)	
Advertising - Communications (newspaper, radio and other miscellaneous advertising)	29,167	
Promotional Expenses - mainly Communications (marketing/promotional expenses) and Community Partnerships (various programming costs)	73,034	
Uniforms - Emergency Services	(29,105)	
Janitorial Supplies - mainly at Grandview Lodge	(47,869)	
Winter Control - Sand & Salt	397,725	
Fleet Materials - Maintenance and Repair, Tires, Lubricants, Parts, Fuel	33,058	
Hydro - Corporate Wide	(95,923)	
Natural Gas - Corporate Wide	(30,265)	
Recreation Programming Processing Fees	(26,035)	
Total Materials		\$356,230
Contracted Services		
Clerks - Election Audit Committee Legal Proceedings	(34,620)	
Corporate Legal Fees	(85,560)	
Provincial Offences Legal Fees	(99,433)	
Public Works Consulting Fees - mainly due to savings in excess soil management testing	139,582	
Audit Fees - unplanned audit work (i.e. accounting structure, new accounting standards, etc.)	(50,839)	
Maintenance and Repair Services - Corporate Wide (mostly in facilities and parks)	(108,928)	
Contracted Services - Corporate Wide	(53,185)	
Snow Removal at County Facilities	(50,918)	
Policing Contract	(129,907)	
Leachate Treatment and Haulage	(70,032)	
Total Contracted Services		(\$543,840)
Rents & Financial Expenses		
Credit Card Service Charges - Corporate Wide	(45,825)	
Property Tax Adjustments	150,762	
Total Rents & Financial Expenses		\$104,936

Miscellaneous Revenues & Expenses under \$25,000		(\$132,902)
Subtotal, Expenditures		\$755,364
Total 2024 Tax Supported Operating Budget Surplus/(Deficit)		\$3,810,959
Public Health		52,933
Social Assistance/Child Care		41,321
Social Housing		190,491
Library Operations		111,289
Total 2024 Net Tax Supported Operating Surplus		\$4,206,993

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

C. Water and Wastewater Operations

The combined 2024 Water and Wastewater Operations net deficit is approximately \$518,199 on total budgeted operating expenditures of \$27.7 million. This represents a negative variance of 1.9%. 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.

In 2024, Water operations experienced a surplus of \$445,653 on budgeted expenditures of approximately \$16.1 million (2.8%). Wastewater operations experienced a deficit of \$963,852 on budgeted expenditures of approximately \$11.7 million (8.3%). A further breakdown of the significant variances is provided below (Table 5 for Water and Table 6 for Wastewater).

The operating surplus/(deficits) in water and wastewater operations are transferred to or funded from the applicable rate stabilization reserve. A new rate study is currently underway to review the requirements and needs of both the water and wastewater systems. The impacts of this study are expected to be incorporated in to the 2026 Water and Wastewater Rate Budget.

D. Water

Water operational revenues are significantly impacted by consumption patterns. Extreme wet or dry conditions can dramatically impact consumption, particularly for residential users. Staff will continue to monitor trends, which will be incorporate into future budget analysis as required. The net water surplus is transferred to the Waster Rate Stabilization Reserve, which has a balance of approximately \$2.4 million as at December 31, 2024.

Noteworthy variances from 2024 include:

- Bulk Water Revenues:** the positive variance of \$61,000 in 2024 has fed in an increase to the 2025 budget of \$25,000. Bulk water usage tends to ebb and flow depending on the weather (i.e. a wet summer would lead to less bulk water usage, and vice versa).
- Consumption and Base Charges:** an increase in water consumption, combined with new residential customers can make predicting these revenue sources difficult. In 2024, the total surplus in consumption and base charges for water is approximately \$95,000. This overall surplus is solely due to a significant surplus in large industrial consumption. All other areas (residential and commercial consumption and base charges) experienced varying deficits in 2024.
- Salaries and Benefits:** due to the timing of the non-union compensation review in 2023/2024, staff were unable to incorporate the impacts of that review in to the water budget. As a result, a negative variance was realized in 2024.
- Supplies and Chemicals:** rising chemical costs and other supply needs resulted in a deficit in this area of \$57,000 in 2024. Staff will continue to monitor these account and ensure proper management and use of this area.

- e) **Hamilton Water Contract:** a surplus of \$244,000 for 2024 as the result of consumption being lower than planned/predicted.
- f) **Maintenance and Repair Costs:** savings of \$102,000 were realized in 2024. In reviewing these accounts, no adjustments were made in 2025, though staff will continue to monitor to ensure appropriate budget levels are maintained based on need.

TABLE 5 - 2024 Rate Supported Operating Surplus/(Deficit) – WATER

2024 Rate Supported Operating Surplus/(Deficit) - WATER	Surplus/ (Deficit)
Revenues	
Water Meter Installations	32,588
New Credit - Depot & Wholesale	48,843
Bulk Water	60,959
Base Charge - Residential	(50,946)
Base Charge - Regular Commercial	(39,654)
Consumption - Residential	(125,356)
Consumption - Large Industrial	395,267
Consumption - Regular Commercial	(84,459)
Total Revenues	\$237,241
Expenditures	
Salaries & Benefits (including PD, travel, etc.)	(67,021)
Hydro	(31,452)
Supplies and Chemicals	(56,522)
Hamilton Water Contract	243,598
Maintenance and Repair Services	101,500
Miscellaneous Revenues and Expenditures under \$25,000	18,309
Total Expenditures	\$208,412
Net Water Surplus/(Deficit)	\$445,653

E. Wastewater

TABLE 6 - 2024 Rate Supported Operating Surplus/(Deficit) - Wastewater

The majority of water users also have wastewater services, however a number of these customers, approximately 250 users including several large industrial users, only have water services, while approximately 95 have only wastewater services. As a result, annual fluctuations in water consumption may not have the same corresponding impact on wastewater revenues. The net wastewater deficit is transferred from the Wastewater Rate Stabilization Reserve, which has a balance of approximately \$2.8 million as at December 31, 2024.

Noteworthy variances from 2024 include:

- a) **Consumption and Base Charges:** as previously noted during the 2025 Rate Supported budget deliberations, the County's user base and consumption trends were recently evaluated and it was determined that over the past two years (2023 and 2024), the wastewater user base was over estimated. This has resulted in significant deficits in both consumption (\$385,000) and base charges (\$259,000). The user base and consumption adjustments were adjusted in the 2025 budget.
- b) **Salaries & Wages:** due to the timing of the non-union compensation review in 2023/2024, staff were unable to incorporate the impacts of that review in to the water budget. As a result, a negative variance was realized in 2024.
- c) **Veolia Contract:** significant overruns in the cost plus portion of the contract (i.e. chemicals,

maintenance, etc.) resulted in an overrun of \$235,000 in wastewater contract in 2024. A comparable increase to the operating budget was included in 2025 as a result of these trending costs.

2024 Rate Supported Operating Surplus/(Deficit) - Wastewater	Surplus/ (Deficit)
Revenues	
Water Meter Installations	30,847
Bulk Processing - Holding Tank	37,234
Base Charge - Residential	(100,915)
Base Charge - Regular Commercial	(158,417)
Consumption - Residential	(122,563)
Consumption - Regular Commercial	(204,240)
Consumption - Large Industrial	(57,926)
Subtotal- Revenues	\$(575,980)
Expenditures	
Salaries & Benefits (Including Professional Development, Travel, etc.)	(95,811)
Veolia Contract	(235,375)
Hydro	(42,773)
Maintenance & Repair Supplies	(68,640)
Taxes and Local Improvements - due to supplementary billings	26,254
Miscellaneous Revenues and Expenses under \$25,000	28,474
Subtotal-Expenditures	(\$387,871)
Net Wastewater Surplus/(Deficit)	(\$963,852)

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 2024 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 2024 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. Staff are also working on developing a comprehensive reserve and reserve fund policy to provide further consistency and oversight on the use and application of these funding sources.

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

References:

1. [FIN-07-2025 Investment Status Report - December 31, 2024](#).

Attachments:

1. Building Division Statement of Activities 2015-2024
2. Parkland Dedication Reserve Fund Statement of Activities 2024
3. Auditor's Report from Millard, Rouse & Rosebrugh, dated August 26, 2025, accompanied by a copy of Haldimand County's 2024 Audited Financial Statements



Corporation of Haldimand County
Parkland Dedication Reserve Fund
Statement of Activities 2024

January 1st to December 31st

2024
(\$)

Continuity of Parkland Reserve Fund

Opening Balance - January 1st

977,069

Sources of Funds:

Park Dedication Payments

526,450

Interest Earned

53,664

Total Source of Funds

580,114

Use of Funds*

Amounts Transferred to Capital (or Other) Funds (1)

0

Total Use of Funds

0

Closing Balance - December 31st

1,557,183

(1) See Attachment 1 for details

This statement is presented in accordance with Section 37 (5)-(10) and 42 (17)-(20) of the Planning Act (the "Act").

**PARKLAND RESERVE FUND STATEMENT
THE CORPORATION OF HALDIMAND COUNTY
FOR THE YEAR 2024**

Capital Project	Parkland Reserve Fund Draw	Development Charges - Leisure Services	Other Reserves Fund Draw	Grants, Subsidies, Other Contributions	Total 2024 Funding
n/a	\$ -	\$ -	\$ -	\$ -	\$ -
Totals	\$ -	\$ -	\$ -	\$ -	\$ -



Corporation of Haldimand County
Building Division
Statement of Activities 2015 - 2024

<u>January 1st to December 31st</u>		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025 Budget</u>
		<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>
Revenues:												
	Building Permits	1,333,386	1,661,880	2,290,725	1,106,725	1,432,586	1,543,472	2,841,225	1,874,731	2,059,181	1,519,333	1,607,000
	Plumbing Permits			-	57,631	57,932	85,827	135,301	114,173	118,122	82,846	75,600
	Septic Inspections	14,858	16,787	20,980	18,946	28,750	26,855	24,078	87,881	73,077	77,163	21,650
	Recoveries (Routine Disclosure Requests)											14,030
	Building Code Order Admin Fee											4,000
	Provincial Student Grant			-	-	-						
	Total Revenues	1,348,244	1,678,667	2,311,705	1,183,302	1,519,268	1,656,154	3,000,604	2,076,785	2,250,379	1,679,342	1,722,280
Less Expenses:												
	Direct Costs	(620,022)	(670,871)	(861,709)	(1,264,861)	(1,171,035)	(1,439,748)	(1,488,852)	(1,230,368)	(1,373,537)	(1,481,902)	(1,924,120)
	Indirect Costs	(178,660)	(194,710)	(205,510)	(218,411)	(225,470)	(224,259)	(284,130)	(295,420)	(299,150)	(333,510)	(362,940)
	Total Expenses	(798,682)	(865,581)	(1,067,219)	(1,483,273)	(1,396,505)	(1,664,006)	(1,772,982)	(1,525,788)	(1,672,687)	(1,815,412)	(2,287,060)
Contribution to/(from) Building Permit Cost Stabilization Reserve Fund		549,562	813,087	1,244,486	(299,971)	122,763	(7,852)	1,227,622	550,997	577,692	(136,070)	(564,780)
Continuity of Building Permit Cost Stabilization Reserve Fund												
	Opening Balance - January 1st	2,441,959	3,041,573	3,975,100	5,278,545	5,064,031	5,369,727	5,512,358	6,904,538	7,618,658	8,490,854	8,716,938
	Transfer to/(from) Reserve	549,562	813,087	1,244,486	(299,971)	122,763	(7,852)	1,227,622	550,997	577,692	(139,902)	(564,780)
	Interest	50,053	120,441	58,959	85,456	182,933	150,484	164,558	163,124	294,504	365,985	-
	Closing Balance - December 31st	3,041,573	3,975,100	5,278,545	5,064,031	5,369,727	5,512,358	6,904,538	7,618,658	8,490,854	8,716,938	8,152,158

*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*

The Corporation of Haldimand County
Consolidated Financial Statements
December 31, 2024



The Corporation of Haldimand County
Index to Consolidated Financial Statements
December 31, 2024

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of The Corporation of Haldimand County have been prepared in accordance with Canadian public sector accounting standards (PSAS). 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.

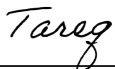
The integrity and reliability of The Corporation of Haldimand County's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees, and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that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



Mark Merritt, Chief Financial Officer, Interim Chief
Administrative Officer



Tareq El-Ahmed, Treasurer

August 26, 2025
Cayuga, Ontario

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of The Corporation of Haldimand County (the Corporation), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2024, 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 Consolidated Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

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

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 PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

(continues)

Millard, Rouse & Rosebrugh LLP

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

SIMCOE BRANTFORD HAGERSVILLE

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Millard, Rouse & Rosebrugh LLP

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

August 26, 2025
Simcoe, Ontario

Millard, Rouse & Rosebrugh LLP

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

The Corporation of Haldimand County
Consolidated Statement of Financial Position
As at December 31, 2024

	2024	2023 (Restated)
FINANCIAL ASSETS		
Cash	\$ 28,217,947	\$ 16,153,776
Investments (Note 4)	237,584,013	244,398,732
Taxes receivable	13,884,660	10,049,104
Accounts receivable	14,142,740	15,992,305
	293,829,360	286,593,917
LIABILITIES		
Accounts payable	32,604,445	31,423,105
Due to trust funds	21,261	62,410
Employee benefits liability (Note 5)	10,616,500	10,686,900
Allowance for assessment adjustments (Note 6)	2,717,184	2,558,378
Deferred revenue (Note 7)	40,948,873	33,378,320
Asset retirement obligations (Note 8)	37,060,526	19,275,435
Long-term liabilities (Note 9)	45,395,598	52,635,367
	169,364,387	150,019,915
NET FINANCIAL ASSETS	124,464,973	136,574,002
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	587,832,650	556,417,788
Prepaid expenses	1,300,382	238,371
Inventory	1,002,522	999,284
	590,135,554	557,655,443
ACCUMULATED SURPLUS (Note 11)	\$714,600,527	\$694,229,445

See accompanying notes to financial statements

The Corporation of Haldimand County
Consolidated Statement of Operations and Accumulated Surplus
Year ended December 31, 2024

	Budget 2024 (Note 20)	2024	2023 (Restated)
REVENUES			
Taxation (Note 12)	\$ 90,411,420	\$ 91,311,661	\$ 85,716,220
Government transfers - Federal (Note 13)	3,131,150	2,903,707	4,318,149
Government transfers - Provincial (Note 14)	26,206,780	27,979,162	26,383,190
Recoveries from other municipalities	2,264,020	3,581,057	1,292,693
User charges	34,544,340	37,804,152	32,913,016
Other income (Note 15)	7,718,000	30,220,448	30,440,299
	164,275,710	193,800,187	181,063,567
Expenses			
General government	11,551,214	15,238,660	14,184,534
Protection services	22,966,604	18,828,446	17,835,518
Transportation services	32,954,536	35,949,905	36,456,605
Environmental services	37,344,601	54,153,648	30,286,198
Health services	12,874,765	12,932,010	11,261,862
Social and family services	17,627,814	16,749,767	15,048,561
Social housing	1,469,500	1,888,214	1,817,275
Recreation and cultural services	12,941,076	13,624,543	12,721,612
Planning and development	3,860,311	4,063,912	3,619,332
	153,590,421	173,429,105	143,231,497
ANNUAL SURPLUS	10,685,289	20,371,082	37,832,070
Accumulated surplus - beginning of year			
As previously reported	694,229,445	694,229,445	677,387,170
Adjustment for change in accounting policy (Note 3)	-	-	(20,989,795)
As restated	694,229,445	694,229,445	656,397,375
ACCUMULATED SURPLUS - END OF YEAR	\$704,914,734	\$714,600,527	\$694,229,445

See accompanying notes to financial statements

The Corporation of Haldimand County
Consolidated Statement of Changes in Net Financial Assets
Year ended December 31, 2024

	Budget 2024 <i>(Note 20)</i>	2024	2023 <i>(Restated)</i>
ANNUAL SURPLUS	\$ 10,685,289	\$ 20,371,082	\$ 37,832,070
Amortization of tangible capital assets	27,134,790	27,134,790	26,338,684
Purchase of tangible capital assets	(120,138,160)	(58,744,883)	(59,315,471)
Proceeds on tangible capital assets	-	71,516	3,586,908
Loss on disposal of tangible capital assets	-	123,715	128,222
Decrease (increase) in prepaid expenses	-	(1,062,011)	92,379
Increase in inventory	-	(3,238)	(215,446)
	(93,003,370)	(32,480,111)	(29,384,724)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(82,318,081)	(12,109,029)	8,447,346
Net financial assets - beginning of year	136,574,002	136,574,002	128,126,656
NET FINANCIAL ASSETS - END OF YEAR	\$ 54,255,921	\$ 124,464,973	\$ 136,574,002

See accompanying notes to financial statements

The Corporation of Haldimand County
Consolidated Statement of Cash Flows
Year ended December 31, 2024

	2024	2023 (Restated)
OPERATING ACTIVITIES		
Annual surplus	\$ 20,371,082	\$ 37,832,070
Items not affecting cash:		
Amortization of tangible capital assets	27,134,790	26,338,684
Loss on disposal of tangible capital assets	123,715	128,222
	47,629,587	64,298,976
Changes in non-cash working capital:		
Taxes receivable	(3,835,556)	(709,038)
Accounts receivable	1,849,565	(7,188,205)
Accounts payable	1,181,340	3,419,122
Due to trust funds	(41,149)	(93,916)
Employee benefits liability	(70,400)	(538,700)
Allowance for assessment adjustments	158,806	(125,615)
Deferred revenue	7,570,553	4,016,352
Asset retirement obligations	17,785,091	(1,205,204)
Prepaid expenses	(1,062,011)	92,379
Inventory	(3,238)	(215,446)
	23,533,001	(2,548,271)
Cash flow from operating activities	71,162,588	61,750,705
INVESTING ACTIVITY		
Change in investments	6,814,719	8,243,548
Cash flow from investing activity	6,814,719	8,243,548
FINANCING ACTIVITY		
Repayment of long-term debt	(7,239,769)	(8,104,088)
Cash flow used by financing activity	(7,239,769)	(8,104,088)
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(58,744,883)	(59,315,471)
Proceeds on tangible capital assets	71,516	3,586,908
Cash flow used by capital activities	(58,673,367)	(55,728,563)
INCREASE IN CASH	12,064,171	6,161,602
Cash - beginning of year	16,153,776	9,992,174
CASH - END OF YEAR	\$ 28,217,947	\$ 16,153,776

See accompanying notes to financial statements

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2024

1. INCORPORATION

Effective January 1, 2001, the Corporation of Haldimand County (the County, 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 County are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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

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, 2024

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

(iii) Accounting for school board transactions

The taxation, other revenue, expenses, assets, and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements. The taxation revenue collected and remitted on behalf of the school boards amounted to \$15,119,289 (2023 - \$14,667,812).

(iv) Trust funds

Trust funds and their related operations administered by the County amounting to \$1,765,518 (2023 - \$1,731,557) are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Balance Sheet".

(v) Provincial offences fines

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

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

A receivable for the value of fines issued but unpaid as at the year-end date amounts to \$7,137,004 (2023 - \$6,957,308) 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 County. Haldimand-Norfolk Housing Corporation financial statements are not consolidated within these financial statements. The Haldimand-Norfolk Housing Corporation have their own audited financial statements reported separately.

Basis of presentation

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

(continues)

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2024

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

Revenue recognition

(i) Taxation

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

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

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

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

(ii) Government transfers

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

(iii) User charges

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

(iv) Developer contributed assets

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

(v) Other income

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

(continues)

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2024

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

Tangible capital assets

Tangible capital assets are stated at cost, less accumulated amortization. Costs include all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees, and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing the year the asset is available for productive use. Half the normal rate of amortization is recorded in the initial year of productive use. Amortization rates are as follows:

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

Investments

Investments are recorded at amortized cost, less any amounts written off to reflect a permanent decline in value. Investments consist of authorized investments pursuant to provisions of the Municipal Act and are comprised of government and corporate bonds, GICs and money market instruments, high interest savings, fixed interest senior notes and principal protected notes.

Investment income earned on available current funds, reserves, and reserve funds (other than obligatory funds) are reported in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances.

A statement of remeasurement gains and losses is not included in the County's consolidated financial statements as there are no investments or financial instruments recorded at fair value at year end.

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 County 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, 2024

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

Asset retirement obligations

Asset retirement obligations (ARO) represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use.

A significant part of the ARO results from the costs of closing and maintaining landfill sites, as well as removal and disposal of designated substances, such as asbestos, from County buildings. The County reports liabilities related to the legal obligations where the County is obligated to incur costs to retire a tangible capital asset.

The liability associated with an ARO is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the consolidated financial statement date to the extent that all recognition criteria are met. AROs are only recognized when there is a legal obligation for the County to incur costs in relation to a specific tangible capital asset, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. When a liability for an ARO is initially recognized, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated tangible capital asset.

The County's ongoing efforts to assess the costs of closing and maintaining landfill sites and the extent to which designated substances exist in County assets, and new information obtained through regular maintenance and renewal of County assets may result in additional asset retirement obligations from better information on the nature and extent the substance exists or from changes to the estimated cost to fulfil the obligation. The measurement of AROs is also impacted by activities that occurred to settle all or part of the obligation, or any changes in the legal obligation. Revisions to the estimated cost of the obligation will result in a change to the carrying amount of the associated assets that are in productive use and amortized as part of the asset on an ongoing basis.

Due to significant uncertainty surrounding the timing of cash flows for the removal and disposal of designated substances that exist in County assets, the County is choosing not to discount the cash flows, except for landfill sites as noted below. Discounting the cash flows introduces additional estimation uncertainty over and above the uncertainty surrounding the timing of the cash flows and would result in an asset and liability recognized that is estimated to be less representative of the cash flows that will be expended in the future period to retire the asset. Due to the timing of cash flows for the costs of closing and maintaining landfill sites being more predictable, the County is choosing to discount the cash flows for these AROs.

Through the passage of time in subsequent reporting periods, the carrying value of the liability related to the landfill sites is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding landfill liabilities at each reporting date.

At remediation, the County reduces the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the Consolidated Statement of Operations and Accumulated Surplus.

(continues)

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2024

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

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. All 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 assessment adjustments, accounts receivable, accounts payable, employee benefits liability and asset retirement obligations. 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.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$37,060,526 (2023 - \$19,275,435). These estimates are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of controlled materials used (e.g. asbestos included in inaccessible construction material), indeterminate settlement dates and the allocation of costs between required and discretionary activities.

3. CHANGE IN ACCOUNTING POLICY

The County adopted PS 3400 Revenue concurrently beginning January 1, 2024.

PS 3400 Revenue establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the County), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

There has been no impact to the opening balances as at January 1, 2024 as a result of this adoption.

Effective January 1, 2024, the County changed its accounting policy to measure the useful life of the asset retirement obligation (ARO) asset associated with landfill sites. The revised policy states the useful life of landfill site ARO assets be based on the period of active operations and accepting landfill. Previously, the useful life of the landfill site ARO assets was based on the period of active operations and the estimated time for post-closure site rehabilitation and monitoring.

The change in accounting policy has been made as it is management's opinion that the period that the landfill site is active more accurately reflects the time of productive use of the landfill asset.

Below is a summary of the impact of the change in accounting policy for the previous year.

(continues)

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2024

3. CHANGE IN ACCOUNTING POLICY (continued)

	As previously reported	Adjustments	2023 As restated
<u>Consolidated Statement of Financial Position</u>			
Tangible capital assets including ARO	\$577,146,195	\$ (20,728,407)	\$556,417,788
Accumulated surplus	714,957,852	(20,728,407)	694,229,445
<u>Consolidated Statement of Operations and Accumulated Surplus</u>			
Environmental services	30,547,586	(261,388)	30,286,198
Annual surplus	37,570,682	261,388	37,832,070
Accumulated surplus - beginning of year	677,387,170	(20,989,795)	656,397,375
Accumulated surplus - end of year	714,957,852	(20,728,407)	694,229,445
<u>Consolidated Statement of Changes in Net Financial Assets</u>			
Annual surplus	37,570,682	261,388	37,832,070
Amortization of tangible capital assets	26,600,072	(261,388)	26,338,684
<u>Consolidated Statement of Cash Flow</u>			
Annual surplus	37,570,682	261,388	37,832,070
Amortization of tangible capital assets	26,600,072	(261,388)	26,338,684

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2024

4. INVESTMENTS

	2024		2023	
	Market Value	Carrying Value	Market Value	Carrying Value
Government and corporate bonds	\$ 8,076,451	\$ 7,814,169	\$ 7,660,739	\$ 7,541,185
GICs and money market instruments	14,066,657	14,060,943	1,035,804	1,028,913
High interest savings	8,901	8,901	7,128,634	7,128,634
Fixed interest senior notes	35,653,400	35,000,000	42,833,920	43,000,000
Principal protected notes - fixed interest	74,644,200	75,000,000	75,658,750	80,000,000
Principal protected notes - equity	119,839,934	105,700,000	107,752,300	105,700,000
	\$252,289,543	\$237,584,013	\$242,070,147	\$244,398,732

Maturity dates on the investments in the portfolio range from 2025 to 2035 and interest rates range from 0.95% to 5.45%.

5. EMPLOYEE BENEFITS LIABILITY

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

	2024	2023
Vested and non-vested sick leave	\$ 1,395,000	\$ 1,319,700
Post-employment and post-retirement benefits	3,219,300	3,059,100
Workers' compensation	6,002,200	6,308,100
	\$10,616,500	\$10,686,900

The County is liable for vacation days earned by its employees as at December 31, but not taken until a later date. The liability as at December 31, 2024 is estimated at \$644,123 (2023 - \$523,625) 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 a comprehensive actuarial evaluation for the vested and non-vested sick leave benefits liability was conducted as at December 31, 2023. The report includes projections for the years 2024 to 2025.

The estimate of the vested and non-vested sick leave benefits liability, based on the actuarial report, is \$1,395,000 (2023 - \$1,319,700). The County has established a reserve fund of \$349,431 (2023 - \$334,683) to mitigate some of the future impacts of these obligations; however, vested and non-vested sick leave benefits are unfunded by a balance of \$1,045,569 (2023 - \$985,017). This unfunded liability is presented in the Consolidated Statement of Financial Position in accumulated surplus (Note 11).

(continues)

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2024

5. EMPLOYEE BENEFITS LIABILITY (*continued*)

b) Post-employment and post-retirement benefits

The 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, 2023, the report includes projections for the years 2024 to 2025. Significant assumptions used in the actuarial evaluation are:

Discount rate	4.30%
Extended healthcare trend rate	
Initial	6.75%
Ultimate	4.25%
Year ultimate reached	2044
Dental trend rate	4.25%

The estimate of the post-employment and post-retirement benefits liability, based on the actuarial report, is \$3,219,300 (2023 - \$3,059,100). The County has established a reserve fund of \$1,052,697 (2023 - \$1,164,242) to mitigate some of the future impacts of these obligations; however, post-employment and post-retirement benefits are unfunded by a balance of \$2,166,603 (2023 - \$1,894,858). This unfunded liability is presented in the Consolidated Statement of Financial Position in accumulated surplus (Note 11).

c) Liability for workers' compensation

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

A comprehensive actuarial evaluation for the employee benefits liability was conducted as at December 31, 2024, the report includes projections for the year 2025. Significant assumptions used in the actuarial evaluation are:

Discount rate	4.30%
Inflation rate (health benefits)	4.00%
Inflation rate (loss of earnings and other income benefits)	
- in 2024	4.40%
- in 2025	3.00%
- thereafter	2.00%

The estimate of the future benefit costs for WSIB claims based on the actuarial report is \$6,002,200 (2023 - \$6,308,100). The County has established a reserve fund of \$13,724,982 (2023 - \$11,984,695) to mitigate the future impacts of these obligations; WSIB is overfunded by a balance of \$7,722,782 (2023 - \$5,676,595). This overfunded asset is presented in the Consolidated Statement of Financial Position in accumulated surplus (Note 11).

The County also administers a reserve fund, in trust, from the former Regional Municipality of Haldimand-Norfolk, for WSIB, which has a gross amount of \$144,400 (2023 - \$319,145).

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2024

6. ALLOWANCE FOR ASSESSMENT ADJUSTMENTS

The 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.

7. DEFERRED REVENUE

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

	Opening Balance	Contributions Received	Investment Income	Revenue Recognized	Ending Balance
Parkland	\$ 977,069	\$ 526,450	\$ 53,664	\$ -	\$ 1,557,183
Development charges	9,549,635	6,782,571	469,022	(4,837,532)	11,963,696
Building permits	8,490,854	-	365,985	(139,902)	8,716,937
Canada Community - Building Fund	10,986,796	3,139,782	526,714	(1,078,756)	13,574,536
Provincial OCIF	1,089,893	5,303,235	53,443	(4,988,027)	1,458,544
Deferred provincial grants	755,781	1,695,300	-	(559,967)	1,891,114
Other	1,528,292	2,761,624	-	(2,503,053)	1,786,863
	\$33,378,320	\$20,208,962	\$1,468,828	\$(14,107,237)	\$40,948,873

8. ASSET RETIREMENT OBLIGATIONS

The County made an adjustment as at December 31, 2024 to reflect an updated estimate of the asset retirement obligations (ARO) of the landfill sites. This change in estimate has been expensed in 2024 through environmental services in the County's Statement of Operations as the ARO asset for the landfill has already been fully amortized. A reconciliation of the beginning and ending aggregate carrying amount of the ARO liability is below:

	2024	2023
ARO at beginning of year	\$ 19,275,435	\$ 20,480,639
Increase in ARO reflecting accretion	623,957	43,506
ARO settled during the year	(1,453,229)	(1,248,710)
Increase in ARO reflecting changes in estimates	18,614,363	-
ARO at end of year	\$ 37,060,526	\$ 19,275,435
The ARO liability consists of:		
Landfill sites	\$ 36,793,906	\$ 19,007,435
Asbestos	266,620	268,000
	\$ 37,060,526	\$ 19,275,435

(continues)

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2024

8. ASSET RETIREMENT OBLIGATIONS (*continued*)

Landfill sites

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

The 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 \$36,793,906. 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 85 years for Tom Howe landfill site and 61 years for Canborough landfill site.

Key assumptions in determining the liability at December 31, 2024 for the sites are as follows:

Inflation rate	2.0%
Discount rate	3.0%
Estimated time for post-closure site rehabilitation and monitoring:	
- Tom Howe landfill site	95 years
- Canborough landfill site	77 years

Asbestos

The County owns buildings which contain asbestos, and therefore, the County is legally required to perform abatement activities upon renovation or demolition of these assets. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Due to significant uncertainty surrounding the timing of the cash flows, no discounting has been applied to the liability.

The Corporation of Haldimand County
Notes to Consolidated Financial Statements
Year ended December 31, 2024

9. LONG-TERM LIABILITIES

a) Long-term liabilities reported on the Consolidated Statement of Financial Position is comprised of amounts owing to Canadian Depository for Securities (CDS) and Ontario Infrastructure and Lands Corporation (OILC):

	2024	2023
CDS debenture bearing interest at 1.20% - 2.40% per annum, repayable in annual payments ranging from \$1,151,000 - \$1,340,000 plus semi-annual interest payments. The debenture matures on July 2027.	\$ 3,933,000	\$ 5,191,000
OILC debenture bearing interest at 5.27% per annum, repayable in semi-annual payments of \$425,000 plus interest. The debenture matures on July 2027.	2,550,000	3,400,000
OILC debenture bearing interest at 3.82% per annum, repayable in semi-annual payments of \$56,227 plus interest. The debenture matures on October 2028.	449,813	562,267
OILC debenture bearing interest at 4.11% per annum, repayable in semi-annual payments of \$356,933 plus interest. The debenture matures on October 2033.	6,424,785	7,138,650
OILC debenture bearing interest at 2.07% per annum, repayable in semi-annual payments of \$368,155 plus interest. The debenture matures on October 2026.	1,472,620	2,208,930
OILC debenture bearing interest at 2.40% per annum, repayable in semi-annual payments of \$660,063 plus interest. The debenture matures on July 2029.	6,600,625	7,920,750
OILC debenture bearing interest at 2.71% per annum, repayable in semi-annual payments of \$486,250 plus interest. The debenture matures on July 2039.	14,587,500	15,560,000
OILC debenture bearing interest at 1.85% per annum, repayable in semi-annual payments of \$417,433 plus interest. The debenture matures on October 2031.	5,844,055	6,678,920
OILC debenture bearing interest at 4.07% per annum, repayable in semi-annual payments of \$220,825 plus interest. The debenture matures on September 2032.	3,533,200	3,974,850
	<u>\$ 45,395,598</u>	<u>\$ 52,635,367</u>

(continues)

The Corporation of Haldimand County
Notes to Consolidated Financial Statements
Year ended December 31, 2024

9. LONG-TERM LIABILITIES (*continued*)

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

2025	7,263,768
2026	7,292,768
2027	6,585,458
2028	4,395,458
2029	4,283,005
Thereafter	15,575,141
	<u>\$ 45,395,598</u>

The above long-term liabilities are unsecured.

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, 2024

10. TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Buildings and Structures	Infrastructure	Vehicles, Machinery and Equipment	Assets under Construction	2024
Cost, beginning of year	\$ 15,013,278	\$ 106,991,770	\$ 190,804,464	\$ 634,175,591	\$ 118,131,438	\$ 28,493,210	\$1,093,609,751
Additions	2,294,942	2,944,925	1,157,247	21,926,506	9,666,833	25,202,720	63,193,173
Disposals	-	-	(1,380)	(4,794,357)	(1,080,933)	(30,948)	(5,907,618)
Transfer to capital assets	-	-	-	-	-	(4,448,290)	(4,448,290)
Cost, end of year	17,308,220	109,936,695	191,960,331	651,307,740	126,717,338	49,216,692	1,146,447,016
Accumulated amortization, beginning of year	-	61,659,374	65,344,980	347,644,200	62,543,409	-	537,191,963
Amortization	-	1,919,233	3,878,845	14,999,851	6,336,861	-	27,134,790
Disposals	-	-	(966)	(4,690,512)	(1,020,909)	-	(5,712,387)
Accumulated amortization, end of year	-	63,578,607	69,222,859	357,953,539	67,859,361	-	558,614,366
Net carrying amount, end of year	\$ 17,308,220	\$ 46,358,088	\$ 122,737,472	\$ 293,354,201	\$ 58,857,977	\$ 49,216,692	\$ 587,832,650

(continues)

The Corporation of Haldimand County
Notes to Consolidated Financial Statements
Year ended December 31, 2024

10. TANGIBLE CAPITAL ASSETS (continued)

	Land	Land Improvements	Buildings and Structures	Infrastructure	Vehicles, Machinery and Equipment	Assets under Construction	2023
Cost, beginning of year	\$ 14,666,976	\$ 98,551,479	\$ 187,591,408	\$ 597,389,565	\$ 114,580,343	\$ 29,131,058	\$ 1,041,910,829
Additions	348,938	8,672,510	3,315,749	41,339,703	5,715,368	29,583,253	88,975,521
Disposals	(2,636)	(232,219)	(102,693)	(4,553,677)	(2,164,273)	(561,051)	(7,616,549)
Transfer to capital assets	-	-	-	-	-	(29,660,050)	(29,660,050)
Cost, end of year	15,013,278	106,991,770	190,804,464	634,175,591	118,131,438	28,493,210	1,093,609,751
Accumulated amortization, beginning of year	-	39,082,535	61,571,022	334,566,345	58,545,001	-	493,764,903
Adjustment for change in accounting policy	-	20,989,795	-	-	-	-	20,989,795
As restated	-	60,072,330	61,571,022	334,566,345	58,545,001	-	514,754,698
Amortization	-	1,740,697	3,820,581	14,863,888	5,913,518	-	26,338,684
Disposals	-	(153,653)	(46,623)	(1,786,033)	(1,915,110)	-	(3,901,419)
Accumulated amortization, end of year	-	61,659,374	65,344,980	347,644,200	62,543,409	-	537,191,963
Net carrying amount, end of year	\$ 15,013,278	\$ 45,332,396	\$ 125,459,484	\$ 286,531,391	\$ 55,588,029	\$ 28,493,210	\$ 556,417,788

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2024

11. ACCUMULATED SURPLUS

The County segregates its accumulated surplus into the following categories:

	2024	2023
Investment in tangible capital assets	\$ 587,832,650	\$ 556,417,788
Long-term liabilities	(45,395,598)	(52,635,367)
Over (under) financed capital	(14,348,749)	(3,451,480)
Net investment in tangible capital assets	528,088,303	500,330,941
BIA surpluses	162,228	138,017
Reserves and reserve funds - Operating		
Contingency	27,722,521	24,501,378
Land sales	2,359,413	2,478,610
Employee benefits insurance	3,508,053	3,359,992
Insurance	2,141,840	2,045,908
Water rate stabilization	2,441,062	1,904,038
Wastewater rate stabilization	2,838,021	3,541,263
Investment income stabilization	8,204,480	8,608,645
Other	8,853,804	8,451,191
	58,069,194	54,891,025
Reserves and reserve funds - Capital		
Roads infrastructure	10,328,085	9,508,844
Wastewater	19,593,730	19,611,557
Water	5,223,642	6,429,769
General	6,108,172	6,714,734
Storm sewer	2,293,716	1,878,138
Fire fleet	6,348,334	6,177,817
Other fleet	3,488,584	3,084,308
Other	11,334,835	10,772,843
	64,719,098	64,178,010
Subtotal - Reserves and reserve funds	122,788,292	119,069,035
Hydro legacy fund	101,294,356	97,398,419
Community vibrancy fund	(5,327,136)	(6,547,397)
WSIB reserve fund held jointly with Norfolk County (gross amounts)	144,400	319,145
Unfunded liabilities		
Asset retirement obligations	(37,060,526)	(19,275,435)
Post-employment and post-retirement benefits liability	(2,166,603)	(1,894,858)
Vested and non-vested sick leave liability	(1,045,569)	(985,017)
WSIB	7,722,782	5,676,595
	(32,549,916)	(16,478,715)
	\$ 714,600,527	\$ 694,229,445

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2024

12. TAXATION REVENUE

	Budget (Note 20)	2024	2023
Property tax levy	\$ 86,097,640	\$ 86,097,640	\$ 80,305,850
Supplemental taxes	1,700,000	2,436,806	2,730,870
Payments in lieu of taxes	2,013,680	2,078,048	1,984,503
Other	600,100	699,167	694,997
	\$ 90,411,420	\$ 91,311,661	\$ 85,716,220

13. GOVERNMENT TRANSFERS - FEDERAL

	Budget (Note 20)	2024	2023
Operating			
Conditional	\$ 36,440	\$ 36,168	\$ 81,977
Capital			
Infrastructure funding	-	1,788,783	3,214,997
Canada Community - Building Fund	3,094,710	1,078,756	1,021,175
	\$ 3,131,150	\$ 2,903,707	\$ 4,318,149

14. GOVERNMENT TRANSFERS - PROVINCIAL

	Budget (Note 20)	2024	2023
Operating			
Ontario Municipal Partnership Fund	\$ 4,090,500	\$ 4,090,500	\$ 4,241,700
Conditional	16,740,480	18,083,637	16,615,287
Capital			
Infrastructure funding	5,375,800	5,805,025	5,526,203
	\$ 26,206,780	\$ 27,979,162	\$ 26,383,190

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2024

15. OTHER INCOME

	Budget (Note 20)	2024	2023
Licenses, permits, rents, and concessions	\$ 4,132,120	\$ 4,259,652	\$ 4,044,305
Provincial offences and other fines	520,230	564,499	1,339,845
Penalties and interest on taxes	1,100,000	1,498,726	1,252,793
Investment income	1,647,300	10,172,275	5,670,562
Development charges earned	-	4,837,532	8,181,894
Developer contributed assets	-	8,212,153	9,209,616
Proceeds from sale of other assets	254,670	107,609	139,263
Loss on disposal of tangible capital assets	-	(123,715)	(128,222)
Donations	57,890	522,556	515,921
Other	5,790	169,161	214,322
	\$ 7,718,000	\$ 30,220,448	\$ 30,440,299

16. CONTRACTUAL OBLIGATIONS

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

The 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, 2027 and the annual cost of this contract for 2024 was \$3,730,695 (2023 - \$3,441,970).

b) Ontario Clean Water Agency (OCWA)

The County has entered into an agreement with Ontario Clean Water Agency for the operation and maintenance of the Central Water System in Nanticoke and the water systems in Dunnville. This contract expires September 30, 2030 and the annual cost of this contract for 2024 was \$2,636,843 (2023 - \$2,532,476).

c) Ontario Provincial Police contract

The County has entered into a five-year agreement with the Solicitor General of Ontario for the provision of police services. This contract was extended for three years and expires December 31, 2025. The annual cost of this contract for 2024 was \$8,310,805 (2023 - \$8,245,576).

d) Hamilton Water contract

The 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 2024, the County paid \$4,226,002 (2023 - \$4,135,246) for water under this contract.

e) Halton Cheshire Homes Inc. mortgage guarantee

The 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, 2024, the balance outstanding was \$422,514 (2023 - \$582,221). This agreement expires February 14, 2050.

f) Landfill sites

Under the terms of an interim agreement between Haldimand County and Norfolk County, Haldimand County is responsible for the operation of two landfill sites within the geographic boundaries of Haldimand County, which are available for the use of both Counties. Norfolk County operates the Material Recovery Facility (MRF) located in Simcoe, on behalf of both Counties. Ownership of all facilities is vested jointly through Provincial legislation and/or asset allocation through the Arbitrator's Report following restructuring.

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2024

17. PENSION AGREEMENTS

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

The amount contributed to OMERS for current service is included as an expenditure on the Consolidated Statement of Operations. Contributions were made in the 2024 calendar year at rates ranging from 9.0% to 14.6% (2023 - 9.0% to 14.6%). The amount contributed to OMERS for 2024 was \$4,096,430 (2023 - \$3,404,288). Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the County does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements. The OMERS pension plan ended 2024 with a funding deficit of \$2.9 billion (2023 - \$4.2 billion) which will be addressed through temporary contribution rate increases, benefit reductions and investment returns.

18. PUBLIC LIABILITY INSURANCE

The 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 risk that it cannot reasonably control. The County has adequate self-insurance coverage. Purchased insurance coverage is in place for claims in excess of the County's self-insurance coverage to a maximum of \$50,000,000 with the exception of certain environmental liability claims, should such claims arise.

At December 31, 2024, there are outstanding legal and liability claims against the County, some of 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 the County (post-restructuring), which has a balance at December 31, 2024 of \$2,141,840 (2023 - \$2,045,908).

19. 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, 2024, 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, 2024

20. 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:

	2024
Budget surplus for the year adopted by Council	\$ -
Add:	
Budgeted transfers to accumulated surplus	40,088,230
Principal payments on debt	7,239,769
Less:	
Budgeted transfers from accumulated surplus	(8,975,840)
Budgeted transfers from capital fund	(532,080)
Amortization	(27,134,790)
Budget surplus per Consolidated Statement of Operations	\$ 10,685,289

21. CREDIT FACILITY

The County has available a \$5,000,000 operating credit facility at the bank's prime rate plus 1%. The facility is secured by a borrowing by-law approved annually. There were no funds advanced under this credit facility at December 31, 2024.

22. COMPARATIVE FIGURES

Certain prior year figures have been adjusted to conform with the 2024 financial statement presentation.

23. FINANCIAL INSTRUMENTS

The County is exposed to various risks through its financial instruments and continues to monitor, evaluate and manage these risks. The following analysis provides information about the County's risk exposure and concentration as of December 31, 2024.

Credit risk

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

(continues)

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2024

23. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities on a timely basis or at a reasonable cost. The County is exposed to this risk mainly in respect of its collection of taxes receivable and accounts receivable and the generation of cash through revenue activities to meet its obligations such as long-term liabilities, contributions to the pension plan, and accounts payable.

Market risk

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

Interest rate risk

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

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

The Corporation of Haldimand County

Notes to Consolidated Financial Statements

Year ended December 31, 2024

24. SEGMENTED INFORMATION

The County is a single-tier municipality that provides a wide range of services to its residents. The major services chosen for segmented disclosure are the six 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, 2024

24. SEGMENTED INFORMATION (continued)

	General Government	Protection Services	Transportation Services	Environmental Services	Social and Family Services	Other Services	Consolidated 2024
Revenue							
Government transfers - Federal	\$ 1,078,756	\$ -	\$ -	\$ -	\$ 1,788,783	\$ 36,168	\$ 2,903,707
Government transfers - Provincial	9,443,593	794,374	644,197	211,981	10,990,614	5,894,403	27,979,162
User charges	2,728,900	291,120	402,453	28,638,681	3,271,772	2,471,226	37,804,152
Other revenue [1]	18,707,642	2,449,085	8,205,213	3,157,525	121,338	1,160,702	33,801,505
	31,958,891	3,534,579	9,251,863	32,008,187	16,172,507	9,562,499	102,488,526
Expenses							
Salaries, wages, and benefits	12,004,553	5,351,323	5,884,612	5,392,437	10,466,406	18,719,802	57,819,133
Materials	4,323,816	513,240	2,480,456	8,634,566	1,742,004	2,181,810	19,875,892
Contracted services	7,475,822	7,859,394	8,885,513	32,051,758	2,823,875	5,203,160	64,299,522
External transfers	-	763,401	-	-	15,009	1,158,562	1,936,972
Financial expenses	436,327	33,583	82,376	115,808	25	185,104	853,223
Interest on long-term liabilities	761,746	-	-	511,982	188,964	46,881	1,509,573
Amortization	1,204,524	1,341,555	14,685,556	6,259,200	707,204	2,936,751	27,134,790
Interdepartmental charges	(10,968,128)	2,965,950	3,931,392	1,187,897	806,280	2,076,609	-
	15,238,660	18,828,446	35,949,905	54,153,648	16,749,767	32,508,679	173,429,105
Surplus (deficiency) of revenue over expenses for the year financed by net municipal levy	\$ 16,720,231	\$ (15,293,867)	\$ (26,698,042)	\$ (22,145,461)	\$ (577,260)	\$ (22,946,180)	\$ (70,940,579)
Taxation revenue							91,311,661
Annual surplus							\$ 20,371,082

[1] Other revenue - Includes recoveries from other municipalities and other income categories detailed in Note 15.

The Corporation of Haldimand County
Notes to Consolidated Financial Statements
Year ended December 31, 2024

24. SEGMENTED INFORMATION (continued)

	General Government	Protection Services	Transportation Services	Environmental Services	Social and Family Services	Other Services	Consolidated 2023
Revenue							
Government transfers - Federal	\$ 1,117,175	\$ -	\$ 234,195	\$ 228,741	\$ 2,656,061	\$ 81,977	\$ 4,318,149
Government transfers - Provincial	9,306,084	576,259	522,157	1,020,520	9,051,081	5,907,089	26,383,190
User charges	3,455,135	229,630	320,861	23,731,960	3,059,006	2,116,424	32,913,016
Other revenue [1]	17,233,545	3,155,628	9,193,479	1,023,026	34,289	1,093,025	31,732,992
	31,111,939	3,961,517	10,270,692	26,004,247	14,800,437	9,198,515	95,347,347
Expenses							
Salaries, wages, and benefits	10,705,506	4,176,347	5,370,073	4,905,492	9,389,054	17,464,822	52,011,294
Materials	4,780,256	632,608	2,073,944	8,772,334	1,719,586	2,227,683	20,206,411
Contracted services	6,604,207	8,122,990	10,502,148	8,888,965	2,358,813	4,294,325	40,771,448
External transfers	-	762,534	-	-	-	595,188	1,357,722
Financial expenses	424,005	41,379	58,927	111,553	85	173,896	809,845
Interest on long-term liabilities	843,284	-	-	598,813	237,566	56,430	1,736,093
Amortization	1,199,736	1,262,879	14,616,125	5,803,900	700,987	2,755,057	26,338,684
Interdepartmental charges	(10,372,460)	2,836,781	3,835,388	1,205,141	642,470	1,852,680	-
	14,184,534	17,835,518	36,456,605	30,286,198	15,048,561	29,420,081	143,231,497
Surplus (deficiency) of revenue over expenses for the year financed by net municipal levy							
	\$ 16,927,405	\$ (13,874,001)	\$ (26,185,913)	\$ (4,281,951)	\$ (248,124)	\$ (20,221,566)	\$ (47,884,150)
Taxation revenue						85,716,220	
Annual surplus						<u>\$ 37,832,070</u>	

[1] Other revenue - Includes recoveries from other municipalities and other income categories detailed in Note 15.

The Corporation of Haldimand County
Library Division - Schedule of Operations
Year ended December 31, 2024

	Budget (Note 20)	2024	2023
REVENUE			
Government transfers:			
Provincial library operating grant (Ministry of Tourism, Culture, and Sport)	\$ 72,400	\$ 72,400	\$ 72,400
Pay equity	6,800	6,762	6,762
Other	3,360	-	-
Fees and service charges	22,000	29,852	24,743
Fines	17,950	19,316	18,118
Donations	5,900	4,753	9,640
Other revenue	20,760	23,137	22,577
	149,170	156,220	154,240
EXPENSES			
Salaries, wages and benefits	1,587,470	1,504,765	1,317,936
Materials and supplies	160,130	138,065	137,805
Services	169,950	170,608	154,325
Rents and financial expenses	684,990	684,862	705,313
	2,602,540	2,498,300	2,315,379
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE UNDERNOTED ITEMS			
	(2,453,370)	(2,342,080)	(2,161,139)
Transfer from reserves	173,210	173,209	174,796
Transfer to reserves	(316,680)	(427,969)	(497,257)
	(143,470)	(254,760)	(322,461)
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR, FINANCED BY NET MUNICIPAL LEVY			
	\$ (2,596,840)	\$ (2,596,840)	\$ (2,483,600)

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

The Corporation of Haldimand County
Museum Division - Schedule of Operations
Year ended December 31, 2024

	Budget (Note 20)	2024	2023
REVENUE			
Government transfers	\$ 53,760	\$ 55,882	\$ 54,324
Fees and service charges	30,820	22,007	26,736
Donations	19,990	13,504	15,921
	104,570	91,393	96,981
EXPENSES			
Salaries, wages and benefits	407,480	438,418	403,412
Materials and supplies	69,390	46,270	48,118
Services	37,390	35,166	29,282
Rents and financial expenses	730	472	476
	514,990	520,326	481,288
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE UNDERNOTED ITEMS	(410,420)	(428,933)	(384,307)
Transfer from reserves	1,200	2,465	-
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR FINANCED BY NET MUNICIPAL LEVY	\$ (409,220)	\$ (426,468)	\$ (384,307)

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

The Corporation of Haldimand County

Trust Funds - Financial Statements

December 31, 2024

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of the Trust Funds of The Corporation of Haldimand County (the Corporation), which comprise the balance sheet as at December 31, 2024, 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 Corporation as at December 31, 2024, 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 Corporation 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

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 BRANTFORD HAGERSVILLE

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Millard, Rouse & Rosebrugh LLP

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

August 26, 2025
Simcoe, Ontario

The Corporation of Haldimand County

Balance Sheet - Trust Funds Year ended December 31, 2024

	Combined Cemetery Perpetual Care	Grandview Bequest Trust	Grandview Comfort Trust	Total 2024	Total 2023
NET ASSETS					
Cash	\$ -	\$ -	\$ 86,520	\$ 86,520	\$ 125,118
Investments (Note 2)	1,657,737	-	-	\$1,657,737	1,544,029
Due from (to) Haldimand County	(115,823)	79,239	57,845	\$ 21,261	62,410
TOTAL NET ASSETS	\$1,541,914	\$ 79,239	\$144,365	\$1,765,518	\$1,731,557
TRUST FUND BALANCE	\$1,541,914	\$ 79,239	\$144,365	\$1,765,518	\$1,731,557

See accompanying notes to financial statements

The Corporation of Haldimand County
Statement of Continuity - Trust Funds
Year ended December 31, 2024

	Combined Cemetery Perpetual Care	Grandview Bequest Trust	Grandview Comfort Trust	Total 2024	Total 2023
RECEIPTS					
Sale of plots and markers	\$ 41,883	\$ -	\$ -	\$ 41,883	\$ 62,720
Investment income	62,207	3,490	-	65,697	60,302
Resident contributions	-	-	178,197	178,197	292,198
Donations	-	-	-	-	175
	104,090	3,490	178,197	285,777	415,395
Disbursements					
Transfer to cemetery operations	62,207	-	-	62,207	57,048
Transfer to County (Note 3)	-	5,634	-	5,634	10,687
Transfer to residents	-	-	183,975	183,975	269,244
	62,207	5,634	183,975	251,816	336,979
NET RECEIPTS (DISBURSEMENTS) FOR THE YEAR					
	41,883	(2,144)	(5,778)	33,961	78,416
Trust fund balance - beginning of year					
	1,500,031	81,383	150,143	1,731,557	1,653,141
TRUST FUND BALANCE - END OF YEAR					
	\$ 1,541,914	\$ 79,239	\$ 144,365	\$1,765,518	\$1,731,557

See accompanying notes to financial statements

The Corporation of Haldimand County

Notes to the Trust Funds Financial Statements

Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the Trust Funds of the Corporation of Haldimand County are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Revenue recognition

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

Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

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

2. INVESTMENTS

Trust fund investments of \$1,657,737 (2023 - \$1,544,029) are reported on the Balance Sheet at cost and have a fair value of \$1,662,934 (2023 - \$1,528,548) 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 \$5,634 (2023 - \$10,687).

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.