

Consolidated Financial Statements

**THE CORPORATION OF THE
COUNTY OF HALIBURTON**

Year ended December 31, 2017



KPMG LLP
Claridge Executive Centre
144 Pine Street
Sudbury Ontario P3C 1X3
Canada
Telephone (705) 675-8500
Fax (705) 675-7586

INDEPENDENT AUDITORS' REPORT

To the Members of Council of the Corporation of the County of Haliburton

We have audited the accompanying consolidated financial statements of The Corporation of the County of Haliburton, which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of operations and accumulated surplus, change in net financial assets (debt) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects the consolidated statement of financial position of The Corporation of the County of Haliburton as at December 31, 2017, and its results of operations, its change in net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

The consolidated financial statements of The Corporation of the County of Haliburton as at and for the year ended December 31, 2016 were audited by another auditor who expressed an unqualified opinion on those consolidated financial statements on April 26, 2017.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

April 25, 2018

THE CORPORATION OF THE COUNTY OF HALIBURTON

Consolidated Statement of Financial Position

December 31, 2017, with comparative information for 2016

| | 2017 | 2016 |
|--|-------------------|-------------------|
| Financial assets | | |
| Cash (note 2) | \$ 4,286,984 | \$ 3,924,833 |
| Accounts receivable (note 3) | 502,270 | 969,101 |
| Inventory for resale | 8,690 | 11,185 |
| | <u>4,797,944</u> | <u>4,905,119</u> |
| Financial liabilities | | |
| Accounts payable and accrued liabilities | 1,504,031 | 2,103,107 |
| Deferred revenue | 17,241 | 27,262 |
| Capital lease obligation (note 5) | 182,592 | |
| Municipal debt (note 6) | 2,548,005 | 3,087,523 |
| | <u>4,251,869</u> | <u>5,217,892</u> |
| Net financial assets (debt) | 546,075 | (312,773) |
| Non-financial assets | | |
| Tangible capital assets (note 10) | 34,381,087 | 34,993,132 |
| Prepaid expenses | 85,455 | 86,407 |
| | <u>34,466,542</u> | <u>35,079,539</u> |
| Accumulated surplus (note 7) | \$ 35,012,617 | \$ 34,766,766 |

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of Council:



Warden

THE CORPORATION OF THE COUNTY OF HALIBURTON

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2017, with comparative information for 2016

| | Budget 2017 (note 9) | Actual 2017 | Actual 2016 |
|---|----------------------------|----------------------|----------------------|
| Revenue: | | | |
| Requisition on local municipalities | \$ 15,671,074 | \$ 15,659,169 | \$ 14,706,130 |
| Government grants - Federal | 524,145 | 533,551 | 524,221 |
| Government grants - Provincial | 3,210,639 | 3,370,910 | 3,705,170 |
| User fees and service charges | 354,893 | 387,433 | 406,195 |
| Other | | | |
| Investment income | 19,711 | 23,999 | 19,213 |
| Donations and other | 18,000 | 56,303 | 28,151 |
| Gain on sale of tangible capital assets | 10,000 | 14,155 | 11,900 |
| Total revenue | 19,808,462 | 20,045,520 | 19,400,980 |
| Expenses: | | | |
| General government | 2,357,308 | 2,379,710 | 2,457,253 |
| Protection services | 130,725 | 148,254 | 155,350 |
| Transportation services | 4,196,218 | 7,680,942 | 7,300,017 |
| Health services | 5,560,516 | 5,677,946 | 5,531,983 |
| Social and family services | 561,471 | 517,745 | 710,300 |
| Social housing | 1,271,943 | 1,206,510 | 1,200,666 |
| Recreational and cultural services | 976,100 | 1,016,066 | 937,796 |
| Planning and development | 995,799 | 1,172,496 | 993,341 |
| Total expenses | 16,050,080 | 19,799,669 | 19,286,706 |
| Annual surplus | 3,758,382 | 245,851 | 114,274 |
| Accumulated surplus, beginning of year | 34,766,766 | 34,766,766 | 34,652,492 |
| Accumulated surplus, end of year | \$ 38,525,148 | \$ 35,012,617 | \$ 34,766,766 |

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE COUNTY OF HALIBURTON

Consolidated Statement of Change in Net Financial Assets (Debt)

Year ended December 31, 2017, with comparative information for 2016

| | Budget 2017 | Actual 2017 | Actual 2016 |
|---|---------------------|-------------------|---------------------|
| Annual surplus | \$ 3,758,382 | \$ 245,851 | \$ 114,274 |
| Acquisition of tangible capital assets | (3,549,020) | (2,712,593) | (3,736,158) |
| Amortization of tangible capital assets | - | 3,324,638 | 3,420,184 |
| Gain on sale of tangible capital assets | (10,000) | (14,155) | (11,900) |
| Proceeds on sale of tangible capital assets | 10,000 | 14,155 | 11,900 |
| Acquisition of prepaid expenses | - | (85,455) | (86,407) |
| Utilization of prepaid expenses | - | 86,407 | 1,201 |
| Change in net financial assets | 209,362 | 858,848 | (286,906) |
| Net financial debt, beginning of year | (312,773) | (312,773) | (25,867) |
| Net financial assets (debt), end of year | \$ (103,411) | \$ 546,075 | \$ (312,773) |

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE COUNTY OF HALIBURTON

Consolidated Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

| | 2017 | 2016 |
|---|--------------|--------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Annual surplus | \$ 245,851 | \$ 114,274 |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 3,324,638 | 3,420,184 |
| Gain on sale of tangible capital assets | (14,155) | (11,900) |
| | 3,556,334 | 3,522,558 |
| Change in non-cash assets and liabilities: | | |
| Decrease (increase) in accounts receivable | 466,831 | (455,688) |
| Decrease (increase) in inventory held for resale | 2,495 | 5,568 |
| Increase (decrease) in deferred revenue | (10,021) | (24,054) |
| Decrease (increase) in prepaid expenses | 952 | (85,206) |
| Increase (decrease) payable and accrued liabilities | (599,076) | 929,096 |
| Net change in cash from operating activities | 3,417,515 | 3,892,274 |
| Capital activities: | | |
| Proceeds on disposition of tangible capital assets | 14,155 | 11,900 |
| Acquisition of tangible capital assets | (2,712,593) | (3,736,158) |
| Net change in cash from capital activities | (2,698,438) | (3,724,258) |
| Financing activities: | | |
| Proceeds on issuance of capital lease obligation | 208,847 | |
| Repayment of capital lease obligation | (26,255) | |
| Debt principal repayments | (539,518) | (537,477) |
| Net change in cash from financing activities | (356,926) | (537,477) |
| Net change in cash and cash equivalents | 362,151 | (369,461) |
| Cash, beginning of year | 3,924,833 | 4,294,294 |
| Cash, end of year | \$ 4,286,984 | \$ 3,924,833 |

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements

Year ended December 31, 2017

The Corporation of the County of Haliburton (the "County") is an upper-tier county in Ontario. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and other related legislation.

1. 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:

(a) Basis of consolidation:

These consolidated financial statements reflect the assets, liabilities, revenues, expenses and fund balances of the reporting entity and include the activities of all committees of Council and the following local boards which are under the control of Council:

Haliburton County Public Library Board

All interfund and inter-entity assets, liabilities, revenues and expenses have been eliminated.

(b) Basis of accounting:

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenues. Expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

The focus of these consolidated financial statements is on the consolidated statement of financial position of the County and the changes thereto. The consolidated statement of financial position includes all the financial assets and liabilities of the County as well as non-financial assets. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Net debt form a part of the consolidated statement of financial position and is the difference between financial assets and liabilities. This provides information about the County's overall future revenue requirements and its ability to finance activities and meet its obligations. Non-financial assets are normally used to deliver services. Their value lies with their service potential rather than their ability to generate future cash inflows. They form part of the consolidated statement of financial position as they provide resources that the government can employ in the future to meet its objectives. The accumulated surplus is made up of the combination of net debt and non-financial assets.

(c) Cash and cash equivalents:

Cash and cash equivalents consist of bank balances and investments in money market instruments with maturities of three months or less, and is net of any temporary borrowings for current purposes. Composition of the balance and restricted amounts are disclosed in note 2.

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(d) Revenue recognition:

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.

Government transfers are recognized in the period in which the events giving rise to the transfer occurred, provided that the transfer is authorized and the amount can be reasonably estimated. Government grants are recognized when approved to the extent the related expenses have been incurred and collection can be reasonably assured.

User fees and other revenues are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided.

Fines and donations are recognized when collected.

(e) Government transfers:

Government transfers are recognized as revenue in the consolidated financial statements 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 consolidated statement of operations as the stipulation liabilities are settled.

(f) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes 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 donations, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated useful life of the tangible capital asset as follows:

| Assets | Useful Life - Years |
|------------------------------------|---------------------|
| Land improvements | 15 |
| Buildings | 20 to 40 |
| Leasehold improvements | 5 |
| Vehicles | 4 to 10 |
| Machinery and equipment-heavy | 20 |
| Machinery and equipment-operating | 10 |
| Computer and hardware and software | 5 |
| Road surface | 5 to 25 |
| Road base | 40 |
| Bridges | 50 to 100 |
| Culverts | 25 to 75 |

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(f) Tangible capital assets (continued):

Tangible capital assets under construction are recorded at cost. Amortization is recorded at 50% in the year of acquisition.

(g) Pension plan:

The County is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The County has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The County records as pension expense the current service cost.

(h) Deferred revenue:

Under PSAB accounting principles, obligatory reserve funds and any other externally restricted financing amounts must be reported as deferred revenue. Only the amount earned by qualifying expenses in the current year is reflected as revenue in the consolidated statement of operations.

(i) Use of estimate:

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include valuation allowances for taxes and user charges receivable, accounts receivable, and estimating provisions for accrued liabilities. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

2. Cash and temporary investments:

| | 2017 | 2016 |
|-----------------------------------|--------------|--------------|
| Unrestricted net cash | \$ 4,286,984 | \$ 3,867,746 |
| Designated cash for reserve funds | - | 57,087 |
| | \$ 4,286,984 | \$ 3,924,833 |

3. Accounts receivable:

| | 2017 | 2016 |
|----------------------|------------|------------|
| Unrestricted: | | |
| Canada | \$ 268,048 | \$ 572,814 |
| Ontario | 6,767 | 202,340 |
| Other municipalities | 194,481 | 161,908 |
| Other | 32,974 | 32,039 |
| | \$ 502,270 | \$ 969,101 |

4. Employee future amounts payable:

Pension agreement:

OMERS provides pension services to more than 461,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the "Plan") by comparing the actuarial value of invested assets to estimated present value of all pension benefits that members have earned to date. Because OMERS is a multi-employer plan, any pension plan surpluses or deficit are a joint responsibility of Ontario municipal organizations and their employees. As a result, the County does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the County to OMERS for 2017 were \$555,336 (2016 - \$557,135).

5. Obligations under capital leases:

| | 2017 |
|---|------------|
| Capital lease obligation, non-interest bearing, expiring in 2020 | \$ 182,592 |

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

5. Obligations under capital leases (continued):

Future minimum lease payments are as follows:

| | | |
|--|----|---------|
| 2018 | \$ | 64,444 |
| 2019 | | 64,444 |
| 2020 | | 53,704 |
| Present value of future minimum lease payments | \$ | 182,592 |

6. Municipal debt:

The balance of net municipal debt is made up of the following:

| | 2017 | 2016 |
|---|--------------|--------------|
| Loan payable, 1.41%, repayable semi-annually at \$237,500 principal plus interest, due 2019 | \$ 950,000 | \$ 1,425,000 |
| Loan payable, 3.24%, repayable in blended semi-annual instalments of \$58,933, due 2035 | 1,598,005 | 1,662,523 |
| Net municipal debt | \$ 2,548,005 | \$ 3,087,523 |

Principal payments on the long-term debt are as follows:

| | | |
|------------|----|-----------|
| 2018 | \$ | 541,625 |
| 2019 | | 543,801 |
| 2020 | | 71,049 |
| 2021 | | 73,369 |
| 2022 | | 75,766 |
| Thereafter | | 1,242,395 |
| | \$ | 2,548,005 |

The long-term liabilities issued in the County's name have been approved by by-law as required and the annual principal and interest payments required are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

7. Accumulated surplus:

| | 2017 | 2016 |
|---|---------------|---------------|
| Internal current and capital funds | \$ 644,476 | \$ 332,098 |
| Invested in tangible capital assets (note 10) | 34,381,087 | 34,993,132 |
| Municipal debt to be recovered in future (note 6) | (2,548,005) | (3,087,523) |
| Reserve/reserve fund balances | 2,535,059 | 2,529,059 |
| Accumulated surplus | \$ 35,012,617 | \$ 34,766,766 |

8. Contingent liabilities and commitments:

(a) Credit facility agreement:

The County has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$2 million via an operating line. Any balance borrowed will bear interest at prime plus .50% per year. Council authorized the temporary borrowing limit for 2017 in By-Law 3735, and there was a balance owing as at December 31, 2017 of \$Nil (2016 – \$Nil).

(b) Other contingencies:

In the normal course of its operations, the County is subject to various litigations and claims. The ultimate outcome of these claims cannot be determined at this time. However, the County's management believes that the ultimate disposition of these matters will not have a material adverse effect on its consolidated statement of financial position.

9. Budget amounts:

The budget was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). As a result, the budget figures presented in the consolidated statement of operations and accumulated surplus required the following adjustments:

| | 2017 |
|---|--------------|
| Budgeted operating surplus for the year | \$ 3,758,382 |
| Add: | |
| Transfers to reserves | (562,260) |
| Transfers from reserves | 892,416 |
| Less: | |
| Capital expenditures | (3,549,020) |
| Principal repayments of long-term debt | (539,518) |
| Budgeted use of surplus | \$ - |

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

10. Tangible capital assets:

| Cost | Balance at December 31, 2016 | Additions | Disposals | Balance at December 31, 2017 |
|--|------------------------------------|------------------|------------------|------------------------------------|
| Land | \$ 754,228 | - | - | 754,228 |
| Building and leasehold improvements | 3,334,322 | 9,503 | - | 3,343,825 |
| Equipment | 2,058,730 | 566,042 | - | 2,624,772 |
| Vehicles - licensed | 3,294,483 | 157,988 | (210,056) | 3,242,415 |
| Vehicles- unlicensed | 1,415,094 | - | (90,247) | 1,324,847 |
| Trailers - unlicensed | 108,342 | - | - | 108,342 |
| Roads infrastructure | 84,397,909 | 1,689,484 | - | 86,087,393 |
| Bridges | 4,936,392 | 231,527 | - | 5,167,919 |
| Culverts | 1,705,361 | 58,049 | - | 1,763,410 |
| Total | \$ 102,004,861 | 2,712,593 | (300,303) | 104,417,151 |

| Accumulated Amortization | Balance at December 31, 2016 | Amortization | Disposals and adjustments | Balance at December 31, 2017 |
|--|------------------------------------|------------------|------------------------------|------------------------------------|
| Land | \$ - | - | - | - |
| Building and leasehold improvements | 894,607 | 110,101 | - | 1,004,708 |
| Equipment | 1,195,364 | 240,409 | - | 1,435,773 |
| Vehicles - licensed | 2,117,953 | 309,709 | (210,056) | 2,217,606 |
| Vehicles- unlicensed | 831,117 | 88,317 | (90,247) | 829,187 |
| Trailers - unlicensed | 34,922 | 6,309 | - | 41,231 |
| Roads infrastructure | 59,608,335 | 2,444,283 | - | 62,052,618 |
| Bridges | 1,652,963 | 93,394 | - | 1,746,357 |
| Culverts | 676,468 | 32,116 | - | 708,584 |
| Total | \$ 67,011,729 | 3,324,638 | (300,303) | 70,036,064 |

| | Net book value, December 31, 2016 | Net book value, December 31, 2017 |
|-----------------------------------|---|---|
| Land | \$ 754,228 | 754,228 |
| Building and land improvements | 2,439,715 | 2,339,117 |
| Equipment | 863,366 | 1,188,999 |
| Vehicles - licensed | 1,176,530 | 1,024,809 |
| Vehicles- unlicensed | 583,977 | 495,660 |
| Trailers - unlicensed | 73,420 | 67,111 |
| Roads surface | 24,789,574 | 24,034,775 |
| Bridges | 3,283,429 | 3,421,562 |
| Culverts | 1,028,893 | 1,054,826 |
| Total | \$ 34,993,132 | 34,381,087 |

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

10. Tangible capital assets (continued):

| Cost | Balance at December 31, 2015 | Additions | Disposals | Balance at December 31, 2016 |
|--|------------------------------------|------------------|------------------|------------------------------------|
| Land | \$ 754,228 | - | - | 754,228 |
| Building and leasehold improvements | 3,116,584 | 217,738 | - | 3,334,322 |
| Equipment | 2,043,701 | 167,773 | (152,744) | 2,058,730 |
| Vehicles - licensed | 3,128,147 | 406,929 | (240,593) | 3,294,483 |
| Vehicles- unlicensed | 1,399,662 | 15,432 | - | 1,415,094 |
| Trailers - unlicensed | 84,579 | 23,763 | - | 108,342 |
| Roads infrastructure | 82,640,068 | 1,757,841 | - | 84,397,909 |
| Bridges | 3,789,710 | 1,146,682 | - | 4,936,392 |
| Culverts | 1,705,361 | - | - | 1,705,361 |
| Total | \$ 98,662,040 | 3,736,158 | (393,337) | 102,004,861 |

| Accumulated Amortization | Balance at December 31, 2015 | Amortization | Disposals and adjustments | Balance at December 31, 2016 |
|--|------------------------------------|------------------|------------------------------|------------------------------------|
| Land | \$ - | - | - | - |
| Building and leasehold improvements | 792,233 | 102,374 | - | 894,607 |
| Equipment | 1,128,433 | 219,675 | (152,744) | 1,195,364 |
| Vehicles - licensed | 2,014,198 | 344,348 | (240,593) | 2,117,953 |
| Vehicles- unlicensed | 753,701 | 77,416 | - | 831,117 |
| Trailers - unlicensed | 29,405 | 5,517 | - | 34,922 |
| Roads infrastructure | 57,048,380 | 2,559,955 | - | 59,608,335 |
| Bridges | 1,573,351 | 79,612 | - | 1,652,963 |
| Culverts | 645,181 | 31,287 | - | 676,468 |
| Total | \$ 63,984,882 | 3,420,184 | (393,337) | 67,011,729 |

| | Net book value, December 31, 2015 | Net book value, December 31, 2016 |
|-----------------------------------|---|---|
| Land | \$ 754,228 | 754,228 |
| Building and land improvements | 2,324,351 | 2,439,715 |
| Equipment | 915,268 | 863,366 |
| Vehicles - licensed | 1,113,949 | 1,176,530 |
| Vehicles- unlicensed | 645,961 | 583,977 |
| Trailers - unlicensed | 55,174 | 73,420 |
| Roads surface | 25,591,688 | 24,789,574 |
| Bridges | 2,216,359 | 3,283,429 |
| Culverts | 1,060,180 | 1,028,893 |
| Total | \$ 34,677,158 | 34,993,132 |

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

11. Public sector salary disclosure:

During 2017, nine employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the County.

12. Comparative information:

Certain comparative information have been reclassified to conform to the consolidated financial statement presentation adopted for 2017.

13. Segmented information

The Corporation of the County of Haliburton is a municipal government institution that provides a wide range of services to its citizens. County services are reported by function and their activities are separately disclosed in the segmented information. These County services are funded primarily by taxation levies.

The nature of the segments and the activities they encompass are as follows:

General government:

General government revenues and expenses are related to the administration departments and activities including Council, Corporate Administration, Finance, and Information Technology.

Protection services:

Protection to persons and property revenues and expenses are related to Forestry Bylaw and 911 services.

Transportation services:

Transportation services revenues and expenses are related to roads, bridges and culverts, engineering, rail corridor, traffic operations and roadside and winter control.

Health services:

Health services revenues and expenses are related to the operation of Land ambulances and transfer to Public Health Unit.

Social and family services:

Social and family services revenues and expenses are related to the County's share of social assistance and child care services provided by City of Kawartha Lakes.

Social housing:

Social housing revenues and expenses are related to the County's share of assisted housing costs provided by City of Kawartha Lakes.

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

13. Segmented Information (continued):

Recreational and cultural services:

Recreational and cultural services revenues and expenses are related to the library.

Planning and development:

Planning and development revenues and expenses are related to the Planning, Land Division, Tourism, Geographic Information System (GIS), and Broadband.

For each segment separately reported in the schedule below, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. These County services are funded primarily by taxation levies.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies.

THE CORPORATION OF THE COUNTY OF HALIBURTON

Note 13 - Segmented Information

Year ended December 31, 2017

| | General Government | Protection Services | Transportation Services | Health Services | Social and Family Services | Social Housing | Recreation and Culture | Planning and Development | 2017 Total |
|---|--------------------|---------------------|-------------------------|-----------------|----------------------------|----------------|------------------------|--------------------------|------------|
| Revenue: | | | | | | | | | |
| Requisition on local municipalities | \$ 1,925,977 | 114,025 | 6,669,711 | 3,304,634 | 550,971 | 1,276,510 | 828,300 | 989,041 | 15,659,169 |
| Government grants - federal | - | - | 526,809 | - | - | - | 6,742 | - | 533,551 |
| Government grants - provincial | 451,427 | - | 119,539 | 2,649,047 | - | - | 139,390 | 11,507 | 3,370,910 |
| User fees and services charges | 109,754 | 23,734 | 80,576 | 44,486 | - | - | 12,067 | 116,816 | 387,433 |
| Investment income | 23,999 | - | - | - | - | - | - | - | 23,999 |
| Donations and other | 11,639 | - | 500 | 150 | - | - | 33,123 | 10,891 | 56,303 |
| Gain on sale of tangible capital assets | - | - | 10,155 | 4,000 | - | - | - | - | 14,155 |
| | 2,522,796 | 137,759 | 7,407,290 | 6,002,317 | 550,971 | 1,276,510 | 1,019,622 | 1,128,255 | 20,045,520 |
| Expenses: | | | | | | | | | |
| Salaries and benefits | 1,077,991 | 62,742 | 1,992,956 | 4,197,152 | - | - | 808,297 | 531,134 | 8,670,272 |
| Materials, supplies and services | 320,896 | 35,684 | 2,376,076 | 478,983 | - | 30 | 96,834 | 420,652 | 3,729,155 |
| Contracted services | 78,813 | 49,828 | 432,218 | 50,967 | - | - | 3,562 | 200,210 | 815,598 |
| Interest on long-term debt | - | - | 16,744 | 52,825 | - | - | - | - | 69,569 |
| Amortization | 60,897 | - | 2,862,948 | 301,250 | - | - | 93,543 | 6,000 | 3,324,638 |
| Rents and financial | 8,081 | - | - | - | - | - | 13,830 | - | 21,911 |
| Interfunction | (196,260) | - | - | 191,760 | - | - | - | 4,500 | - |
| Transfers to other entities | 1,029,292 | - | - | 405,009 | 517,745 | 1,206,480 | - | 10,000 | 3,168,526 |
| | 2,379,710 | 148,254 | 7,680,942 | 5,677,946 | 517,745 | 1,206,510 | 1,016,066 | 1,172,496 | 19,799,669 |
| Annual surplus (deficit) | \$ 143,086 | (10,495) | (273,652) | 324,371 | 33,226 | 70,000 | 3,556 | (44,241) | 245,851 |

THE CORPORATION OF THE COUNTY OF HALIBURTON

Note 13 - Segmented Information

Year ended December 31, 2017

| | General Government | Protection Services | Transportation Services | Health Services | Social and Family Services | Social Housing | Recreation and Culture | Planning and Development | 2016 Total |
|---|--------------------|---------------------|-------------------------|-----------------|----------------------------|----------------|------------------------|--------------------------|------------|
| Revenue: | | | | | | | | | |
| Requisition on local municipalities | \$ 2,440,601 | 125,046 | 5,867,933 | 3,020,481 | 688,560 | 1,065,858 | 787,800 | 709,851 | 14,706,130 |
| Government grants - federal | - | - | 522,577 | - | - | - | - | 1,644 | 524,221 |
| Government grants - provincial | 156,913 | 3,954 | 716,790 | 2,601,528 | 21,740 | 33,742 | 130,778 | 39,725 | 3,705,170 |
| User fees and services charges | 108,312 | 19,011 | 95,168 | 29,691 | - | - | 11,683 | 142,330 | 406,195 |
| Investment income | 19,213 | - | - | - | - | - | - | - | 19,213 |
| Donations and other | 5,633 | - | 4,000 | - | - | - | 18,518 | - | 28,151 |
| Gain on sale of tangible capital assets | - | - | - | 11,900 | - | - | - | - | 11,900 |
| | 2,730,672 | 148,011 | 7,206,468 | 5,663,600 | 710,300 | 1,099,600 | 948,779 | 893,550 | 19,400,980 |
| Expenses: | | | | | | | | | |
| Salaries and benefits | 1,080,569 | 70,051 | 1,948,374 | 4,117,485 | - | - | 741,640 | 552,557 | 8,510,676 |
| Materials, supplies and services | 414,753 | 41,623 | 1,973,871 | 447,123 | - | 1,066 | 109,110 | 334,146 | 3,321,692 |
| Contracted services | 1,020,709 | 43,676 | 349,860 | 44,820 | - | - | - | 57,675 | 1,516,740 |
| Interest on long-term debt | - | - | 23,441 | 54,767 | - | - | - | - | 78,208 |
| Amortization | 60,633 | - | 2,985,055 | 281,046 | - | - | 87,046 | 6,404 | 3,420,184 |
| Rents and financial | 6,601 | - | - | - | - | - | - | 28,959 | 35,560 |
| Interfunction | (193,274) | - | - | 189,674 | - | - | - | 3,600 | - |
| Transfers to other entities | 67,262 | - | 19,416 | 397,068 | 710,300 | 1,199,600 | - | 10,000 | 2,403,646 |
| | 2,457,253 | 155,350 | 7,300,017 | 5,531,983 | 710,300 | 1,200,666 | 937,796 | 993,341 | 19,286,706 |
| Annual surplus (deficit) | \$ 273,419 | (7,339) | (93,549) | 131,617 | - | (101,066) | 10,983 | (99,791) | 114,274 |