

Consolidated Financial Statements

**THE CORPORATION OF THE
COUNTY OF HALIBURTON**

Year ended December 31, 2018



KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Haliburton

Opinion

We have audited the consolidated financial statements of The Corporation of the County of Haliburton (the "County"), which comprise:

- the consolidated statement of financial position as at December 31, 2018;
- the consolidated statement of operations and accumulated surplus for the year then ended;
- the consolidated statement of change in net financial assets for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- and the notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the County as at December 31, 2018, and its consolidated results of operations and accumulated surplus and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the County in accordance with the 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 for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the County'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 County or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 the 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 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 County'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 County's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the County's 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

April 24, 2019

THE CORPORATION OF THE COUNTY OF HALIBURTON


Consolidated Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
Financial assets		
Cash	\$ 4,424,037	\$ 4,286,984
Investments (note 2)	773,220	-
Accounts receivable (note 3)	721,424	502,270
Inventory for resale	6,674	8,690
	<u>5,925,355</u>	<u>4,797,944</u>
Financial liabilities		
Accounts payable and accrued liabilities	2,097,144	1,504,031
Deferred revenue (note 4)	46,477	17,241
Employee post-retirement benefits (note 5)	347,800	-
Capital lease obligation (note 6)	118,148	182,592
Municipal debt (note 7)	2,006,380	2,548,005
	<u>4,615,949</u>	<u>4,251,869</u>
Net financial assets	1,309,406	546,075
Non-financial assets		
Tangible capital assets (note 11)	34,699,744	34,381,087
Prepaid expenses	116,992	85,455
	<u>34,816,736</u>	<u>34,466,542</u>
Accumulated surplus (note 8)	\$ 36,126,142	\$ 35,012,617

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, 2018, with comparative information for 2017

	Budget 2018 (note 10)	Actual 2018	Actual 2017
Revenue:			
Requisition on local municipalities	\$ 16,696,403	\$ 16,694,411	\$ 15,659,169
Government grants - Federal	680,544	567,765	533,551
Government grants - Provincial	3,466,125	3,517,098	3,370,910
User fees and service charges	359,594	577,458	387,433
Other			
Investment income	20,000	37,115	23,999
Donations and other	30,200	90,343	56,303
Gain on sale of tangible capital assets	39,000	39,637	14,155
Total revenue	21,291,866	21,523,827	20,045,520
Expenses:			
General government	2,651,170	2,713,582	2,379,710
Protection services	139,885	146,105	148,254
Transportation services	7,743,166	8,038,998	7,680,942
Health services	5,996,897	6,019,409	5,677,946
Social and family services	630,106	464,735	517,745
Social housing	941,063	1,029,938	1,206,510
Recreational and cultural services	1,007,267	1,013,631	1,016,066
Planning and development	1,154,174	983,904	1,172,496
Total expenses	20,263,728	20,410,302	19,799,669
Annual surplus	1,028,138	1,113,525	245,851
Accumulated surplus, beginning of year	35,012,617	35,012,617	34,766,766
Accumulated surplus, end of year	\$ 36,040,755	\$ 36,126,142	\$ 35,012,617

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

Year ended December 31, 2018, with comparative information for 2017

	Budget 2018 (note 10)	Actual 2018	Actual 2017
Annual surplus	\$ 1,028,138	\$ 1,113,525	\$ 245,851
Acquisition of tangible capital assets	(3,960,800)	(3,691,011)	(2,712,593)
Amortization of tangible capital assets	3,363,712	3,372,354	3,324,638
Gain on sale of tangible capital assets	(39,000)	(39,637)	(14,155)
Proceeds on sale of tangible capital assets	39,000	39,637	14,155
Acquisition of prepaid expenses	-	(116,992)	(85,455)
Utilization of prepaid expenses	-	85,455	86,407
Change in net financial assets	431,050	763,331	858,848
Net financial assets (debt), beginning of year	546,075	546,075	(312,773)
Net financial assets, end of year	\$ 977,125	\$ 1,309,406	\$ 546,075

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, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,113,525	\$ 245,851
Items not involving cash:		
Amortization of tangible capital assets	3,372,354	3,324,638
Gain on sale of tangible capital assets	(39,637)	(14,155)
	4,446,242	3,556,334
Change in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	(219,154)	466,831
Decrease in inventory held for resale	2,016	2,495
Increase (decrease) in deferred revenue	29,236	(10,021)
Decrease (increase) in prepaid expenses	(31,537)	952
Increase in employee future benefits	347,800	-
Increase (decrease) payable and accrued liabilities	593,113	(599,076)
Net change in cash from operating activities	5,167,716	3,417,515
Capital activities:		
Proceeds on disposition of tangible capital assets	39,637	14,155
Acquisition of tangible capital assets	(3,691,011)	(2,712,593)
Net change in cash from capital activities	(3,651,374)	(2,698,438)
Financing activities:		
Purchase of investments	(773,220)	-
Proceeds on issuance of capital lease obligation	-	208,847
Repayment of capital lease obligation	(64,444)	(26,255)
Debt principal repayments	(541,625)	(539,518)
Net change in cash from financing activities	(1,379,289)	(356,926)
Net change in cash and cash equivalents	137,053	362,151
Cash, beginning of year	4,286,984	3,924,833
Cash, end of year	\$ 4,424,037	\$ 4,286,984

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, 2018

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.

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

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, 2018

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) Employee post-retirement benefits:

The County accrues its obligations for employee benefit plans. The cost of non-pension post-retirement and post-employment benefits earned by employers is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of retirement ages of employees and expected health care costs.

Actuarial gains (losses) on the on the accrued benefit obligation arise from changes in actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by the employee benefit plan is 13 years.

Past service costs arising from plan amendments are recognized immediately in the period the plan amendments occur.

(i) 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.

(j) 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, 2018

2. Portfolio investments:

	2018	
	Cost	Market
Equity portfolio	\$ 285,000	270,686
High interest savings	502,534	502,534
	\$ 787,534	773,220

3. Accounts receivable:

	2018	2017
Unrestricted:		
Government of Canada	\$ 375,315	\$ 268,048
Province of Ontario	3,331	6,767
Other municipalities	226,245	194,481
Other	116,533	32,974
	\$ 721,424	\$ 502,270

4. Deferred revenue:

Deferred revenue represents unspent funds externally restricted for a specific purpose received in the current and/or prior period that are unspent in the current period.

	2018
Donation – Community of Making	\$ 35,177
Permit fees	11,300
	\$ 46,477

5. 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 2018 were \$574,506 (2017 - \$555,336).

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

5. Employee future amounts payable (continued):

The County sponsors a post-retirement defined benefit plan for medical, life insurance and dental benefits for substantially all full time employees with various cost sharing arrangements as determined by their collective agreements. The most recent valuation of employee future benefits was completed as at December 31, 2018.

The accrued benefit obligation is recorded in the financial statements as follows:

	2018
Balance, beginning of year	\$ -
Transitional obligation	351,100
Add: benefit costs	29,800
Add: Interest costs	12,500
	393,400
Less: benefit contributions	(45,600)
Balance, end of year	\$ 347,800

Similar to most post-employment benefit plans (other than pension) in Canada, the County's plan is not pre-funded, resulting in plan deficit equal to the accrued benefit obligation.

The significant actuarial assumptions adopted in measuring the County's accrued benefit obligations are as follows:

	2018
Discount rate	3.50%
Dental cost trend rates	4.00%
Extended health care trend rates	6.45%

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

6. Obligations under capital leases:

	2018
Capital lease obligation, non-interest bearing, expiring in 2020	\$ 118,148
Future minimum lease payments are as follows:	
2019	\$ 64,444
2020	53,704
Present value of future minimum lease payments	\$ 118,148

7. Municipal debt:

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

	2018	2017
Loan payable, 1.41%, repayable semi-annually at \$237,500 principal plus interest, due 2019	\$ 475,000	\$ 950,000
Loan payable, 3.24%, repayable in blended semi-annual instalments of \$58,933, due 2035	1,531,380	1,598,005
Net municipal debt	\$ 2,006,380	\$ 2,548,005

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

2019	\$ 543,801
2020	71,049
2021	73,369
2022	75,766
2023	78,240
Thereafter	1,164,155
	\$ 2,006,380

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, 2018

8. Accumulated surplus:

	2018	2017
Internal current and capital funds	\$ 127,804	\$ 144,360
Invested in tangible capital assets (note 11)	34,699,744	34,381,087
Municipal debt to be recovered in future (note 7)	(2,006,380)	(2,548,005)
Reserve/reserve fund balances	3,652,774	3,035,175
Unfunded employee post-retirement benefits (note 5)	(347,800)	-
Accumulated surplus	\$ 36,126,142	\$ 35,012,617

9. 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 2018 in By-Law 3735, and there was a balance owing as at December 31, 2018 of \$Nil (2017 – \$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.

10. Budget amounts:

The budget adopted by the County on January 24, 2018 was prepared on a basis consistent with that used to report actual results. The budget surplus was used for capital expenditures, amortization and repayments of long-term debt.

	2018
Budgeted operating surplus for the year	\$ 1,028,138
Add:	
Amortization	3,363,712
Transfers from reserves	1,026,700
Less:	
Capital expenditures	(3,960,800)
Transfers to reserves	(917,750)
Principal repayments of long-term debt	(540,000)
Budgeted use of surplus	\$ -

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

11. Tangible capital assets:

Cost	Balance at December 31, 2017	Additions	Disposals	Balance at December 31, 2018
Land	\$ 754,228	-	-	754,228
Building and leasehold improvements	3,343,825	165,650	-	3,509,475
Equipment	2,624,772	346,058	(371,223)	2,599,607
Vehicles - licensed	3,242,415	695,927	(319,212)	3,619,130
Vehicles - unlicensed	1,324,847	33,468	-	1,358,315
Trailers - unlicensed	108,342	-	(12,821)	95,521
Roads infrastructure	86,087,393	2,074,609	-	88,162,002
Bridges	5,167,919	319,788	-	5,487,707
Culverts	1,763,410	55,511	(106,843)	1,712,078
Total	\$ 104,417,151	3,691,011	(810,099)	107,298,063

Accumulated Amortization	Balance at December 31, 2017	Amortization	Disposals and adjustments	Balance at December 31, 2018
Land	\$ -	-	-	-
Building and leasehold improvements	1,004,708	115,668	-	1,120,376
Equipment	1,435,773	269,162	(371,223)	1,333,712
Vehicles - licensed	2,217,606	310,822	(319,212)	2,209,216
Vehicles - unlicensed	829,187	92,932	-	922,119
Trailers - unlicensed	41,231	12,505	(12,821)	40,915
Roads infrastructure	62,052,618	2,439,263	-	64,491,881
Bridges	1,746,357	98,262	-	1,844,619
Culverts	708,584	33,740	(106,843)	635,481
Total	\$ 70,036,064	3,372,354	(810,099)	72,598,319

	Net book value, December 31, 2017	Net book value, December 31, 2018
Land	\$ 754,228	754,228
Building and land improvements	2,339,117	2,389,099
Equipment	1,188,999	1,265,895
Vehicles - licensed	1,024,809	1,409,914
Vehicles - unlicensed	495,660	436,196
Trailers - unlicensed	67,111	54,606
Roads surface	24,034,775	23,670,121
Bridges	3,421,562	3,643,088
Culverts	1,054,826	1,076,597
Total	\$ 34,381,087	34,699,744

THE CORPORATION OF THE COUNTY OF HALIBURTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

11. Tangible capital assets (continued):

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, 2018

12. Public sector salary disclosure:

During 2018, eight employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the County.

13. Comparative information:

Certain comparative information have been reclassified to conform to the consolidated financial statement presentation adopted for 2018.

14. 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, 2018

14. 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 14 - Segmented Information (continued)

Year ended December 31, 2018

	General Government	Protection Services	Transportation Services	Health Services	Social and Family Services	Social Housing	Recreation and Culture	Planning and Development	2018
Revenue:									
Requisition on local municipalities	\$ 2,210,907	120,885	7,671,948	3,215,960	464,735	1,034,434	860,972	1,114,570	16,694,411
Government grants - federal	16,765	-	542,294	-	-	-	-	8,686	567,765
Government grants - provincial	375,242	-	170,388	2,845,402	-	-	121,953	4,113	3,517,098
User fees and services charges	127,047	25,487	234,333	59,987	-	-	12,621	117,983	577,458
Investment income	37,115	-	-	-	-	-	-	-	37,115
Donations and other	9,076	-	9,000	1,185	-	-	71,082	-	90,343
Gain on sale of tangible capital assets	-	-	39,637	-	-	-	-	-	39,637
	2,776,172	146,372	8,667,600	6,122,534	464,735	1,034,434	1,066,628	1,245,352	21,523,827
Expenses:									
Salaries and benefits	1,317,548	64,965	2,155,652	4,509,167	-	-	799,763	559,463	9,406,558
Materials, supplies and services	366,161	32,152	2,157,060	513,337	-	-	98,854	356,592	3,524,156
Contracted services	83,557	48,988	833,218	26,846	-	-	3,702	8,952	1,005,263
Interest on long-term debt	-	-	10,046	50,700	-	-	-	-	60,746
Amortization	72,298	-	2,883,022	310,655	-	-	97,482	8,897	3,372,354
Rents and financial	6,601	-	-	-	-	-	13,830	-	20,431
Interfunction	(195,595)	-	-	195,595	-	-	-	-	-
Transfers to other entities	1,063,012	-	-	413,109	-	-	-	-	-
	2,713,582	146,105	8,038,998	6,019,409	464,735	1,029,938	1,013,631	983,904	20,410,302
Annual surplus (deficit)	\$ 62,590	267	628,602	103,125	-	4,496	52,997	261,448	1,113,525

THE CORPORATION OF THE COUNTY OF HALIBURTON

Note 14 - Segmented Information (continued)

Year ended December 31, 2018

	General Government	Protection Services	Transportation Services	Health Services	Social and Family Services	Social Housing	Recreation and Culture	Planning and Development	2017
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