

CORPORATION OF THE COUNTY OF HASTINGS

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

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DECEMBER 31, 2023

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CORPORATION OF THE COUNTY OF HASTINGS

For The Year Ended December 31, 2023

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the County of Hastings are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The County maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the County's assets are appropriately accounted for and adequately safeguarded.

The County's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the County's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the County of Hastings. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

The consolidated financial statements have been audited by Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the County. Baker Tilly KDN LLP has full and free access to Council.

Warden

Director of Finance/
Treasurer

June 27, 2024

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of the Corporation of the County of Hastings and its local board (the County), which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, change in net debt 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 consolidated financial position of the County as at December 31, 2023, and the results of its consolidated operations 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the County 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 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the 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.

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

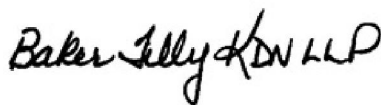
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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 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 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 County 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.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the County to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.



Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 8, 2024



CORPORATION OF THE COUNTY OF HASTINGS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2023

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash	35,546,917	32,497,176
Investments (note 3)	2,489,411	2,644,552
Trade and other receivables	15,782,978	14,139,260
Long term receivables	2,289,501	2,658,128
TOTAL FINANCIAL ASSETS	56,108,807	51,939,116
LIABILITIES		
Accounts payable and accrued liabilities	25,169,598	22,942,686
Deferred revenue - obligatory reserve funds (note 4)	213,819	399,676
Deferred revenue - other	4,028,892	1,326,689
Long term debt (note 5)	16,392,670	19,862,441
Asset retirement obligation (note 8)	12,895,678	-
Employee future amounts payable (note 9)	14,795,311	13,482,139
TOTAL LIABILITIES	73,495,968	58,013,631
NET DEBT	(17,387,161)	(6,074,515)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 10)	114,868,016	97,477,572
Prepaid expenses	971,253	1,475,054
TOTAL NON-FINANCIAL ASSETS	115,839,269	98,952,626
	98,452,108	92,878,111
Comprised of:		
Accumulated surplus (note 11)	98,666,815	92,878,111
Accumulated remeasurement losses	(214,707)	-
	98,452,108	92,878,111

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF HASTINGS

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
REVENUES			
Property taxation	17,987,791	18,168,969	16,957,288
User charges	16,514,414	17,884,484	16,762,023
Government of Canada	17,998,451	3,258,709	2,915,799
Province of Ontario	103,428,454	98,466,967	93,064,954
Other municipalities	31,973,963	31,851,336	29,593,443
Provincial Offenses Act - fines (note 16)	1,600,000	1,398,927	1,519,204
Investment income	670,000	2,006,308	897,256
Canada Community-Building Fund earned (note 4)	1,256,808	1,516,995	1,202,164
Gain/(loss) on disposal of tangible capital assets	-	140,901	(182,710)
Other	-	197,540	507,807
TOTAL REVENUES	191,429,881	174,891,136	163,237,228
EXPENSES			
General government	5,100,839	6,080,370	5,385,297
Protection services	1,653,657	1,511,623	1,590,931
Transportation services	1,455,760	1,498,898	1,444,300
Health services	27,994,860	27,402,724	26,369,250
Social and family services	106,776,027	103,120,460	95,686,892
Social housing	27,745,065	27,757,310	27,026,750
Planning and development	1,880,797	1,731,047	1,503,045
TOTAL EXPENSES	172,607,005	169,102,432	159,006,465
ANNUAL SURPLUS	<u>18,822,876</u>	5,788,704	4,230,763
ACCUMULATED SURPLUS - beginning of year		92,878,111	88,647,348
ACCUMULATED SURPLUS - end of year		98,666,815	92,878,111

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF HASTINGS

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended December 31, 2023

	Actual 2023 \$	Actual 2022 \$
ACCUMULATED REMEASUREMENT GAINS AND LOSSES		
- beginning of year	-	-
Adjustment on adoption of the financial instruments standard (note 2)	(263,219)	-
Unrealized gains attributable to:		
Change in market value of bond fund	48,512	-
ACCUMULATED REMEASUREMENT GAINS AND LOSSES		
- end of year	(214,707)	-

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

For the Year Ended December 31, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
ANNUAL SURPLUS	18,822,876	5,788,704	4,230,763
Amortization of tangible capital assets	5,728,111	6,731,917	5,728,111
Purchase of tangible capital assets	(31,679,848)	(11,803,219)	(5,774,986)
Loss/(gain) on disposal of tangible capital assets	-	(140,901)	182,710
Proceeds on sale of tangible capital assets	-	140,901	39,601
Change in prepaid expenses	-	503,801	(1,076,140)
CHANGE IN NET DEBT	(7,128,861)	1,221,203	3,330,059
NET DEBT - beginning of year	(6,074,515)	(6,074,515)	(9,404,574)
ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD (note 2)	-	(12,319,142)	-
ADJUSTMENT ON ADOPTION OF THE FINANCIAL INSTRUMENTS STANDARD (note 2)	-	(263,219)	-
NET DEBT - beginning of year, as restated	(6,074,515)	(18,656,876)	(9,404,574)
INCREASE IN ACCUMULATED REMEASUREMENT GAINS	-	48,512	-
NET DEBT - end of year	(13,203,376)	(17,387,161)	(6,074,515)

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF HASTINGS

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

	2023	2022
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	5,788,704	4,230,763
Items not involving cash		
Amortization of tangible capital assets	6,731,917	5,728,111
Loss/(gain) on disposal of tangible capital assets	(140,901)	182,710
Accretion expense	576,536	-
Change in employee future amounts payable	1,313,172	1,387,056
Change in non-cash assets and liabilities		
Trade and other receivables	(1,643,718)	(2,179,228)
Long term receivables	368,627	(101,040)
Prepaid expenses	503,801	(1,076,140)
Accounts payable and accrued liabilities	2,226,912	5,472,204
Deferred revenue - obligatory reserve funds	(185,857)	67,008
Deferred revenue - other	2,702,203	(1,697)
Net change in cash from operating activities	18,241,396	13,709,747
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(11,803,219)	(5,774,986)
Proceeds on disposal of tangible capital assets	140,901	39,601
Net change in cash from capital activities	(11,662,318)	(5,735,385)
INVESTING ACTIVITIES		
Purchase of investments	(59,566)	(51,474)
FINANCING ACTIVITIES		
Debt principal repayments	(3,469,771)	(4,326,049)
NET CHANGE IN CASH	3,049,741	3,596,839
CASH - beginning of year	32,497,176	28,900,337
CASH - end of year	35,546,917	32,497,176

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

The County of Hastings is an upper tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the County and which are owned and controlled by the County. These consolidated financial statements include:

- Hastings Local Housing Corporation

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Recognition of Revenues and Expenses

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 revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Taxation

The County establishes the tax rates annually based on the amount required to be raised. These tax rates are used to levy amounts to the lower tier municipalities are based on their annual assessment. Adjustments to the lower tier levy amounts for additions to and reductions in assessment are reported in the consolidated financial statements when amounts can be reasonably determined.

Government Funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Other revenue

Fines levied under the Provincial Offenses Act 1997 are recognized when the funds are received. (see note 16).

User charges are recognized as revenue in the year the goods and services are provided.

Investment income is recorded when earned.

Canada Community-Building Fund is recognized in the period in which the related expenditures are recorded.

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Investments	Fair Value
Trade and other receivables	Amortized Cost
Long term receivables	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Long term debt	Amortized Cost

Fair value category: The County manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(e) Asset Retirement Obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for the removal of asbestos in several of the buildings owned by the County has been recognized based on estimated future expenses for remediation or disposal.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense and any amounts paid. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the amortization accounting policies outlined in (f).

(f) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized, over the expected useful life of the asset, as follows:

Land improvements	25-50 years straight-line
Buildings	50-100 years straight-line
Building components	10-50 years straight-line
Leasehold improvements	current lease term plus one renewal term
Machinery and equipment	2-50 years straight-line
Ambulances	percentage of use
Other vehicles	7 years straight-line
Computer hardware and software	4 years straight-line
Roads and bridges	15-50 years straight-line

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

(g) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the County because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the County unless they are sold.

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(i) Use of Estimates

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the County's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements or changes in such estimates in future periods could be significant. The County's significant estimates include:

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values;
- The values of employee future benefits payable depend on certain actuarial and economic assumptions; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

In addition, the County's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets in conjunction with estimates of expected asset retirement costs, as well as the timing and duration of these retirement costs.

(j) Trust Funds

Trust funds and their related operations administered by the County are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

2. CHANGES IN ACCOUNTING POLICIES

The County has implemented the following sections which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations were adopted prospectively on January 1, 2023.

PS 1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the County's consolidated financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the County's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments.

In accordance with the provisions of PS 3041 and PS 3450, the County reflected the following adjustments at January 1, 2023:

- A loss of \$263,219 to the accumulated remeasurement gains/(losses) due to the unrealized loss of the County investments previously recorded as cost.

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability.

In accordance with the provisions of this new standard, the County reflected the following adjustments at January 1, 2023:

Asbestos Obligation

- An increase of \$12,319,142 to the buildings tangible capital asset account and a corresponding increase to the opening asset retirement obligation liability.

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

3. INVESTMENTS

Investments are comprised of the following:

	2023	2022
	\$	\$
WorldSource Financial Management Inc.		
- recorded at fair value		
Short term bond fund	2,489,411	-
WorldSource Financial Management Inc.		
- recorded at cost		
Short term bond fund	-	2,644,552
	<u>2,489,411</u>	<u>2,644,552</u>

4. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balance in the obligatory reserve funds of the County is summarized below:

	2023	2022
	\$	\$
Canada Community-Building Fund	213,819	399,676

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2023	2022
	\$	\$
Balance - beginning of year	399,676	332,668
Add amounts received:		
Canada Community-Building Fund	1,311,452	1,256,808
Interest	19,687	12,364
	<u>1,331,139</u>	<u>1,269,172</u>
Less transfer to operations:		
Canada Community-Building Fund earned	1,516,996	1,202,164
Balance - end of year	<u>213,819</u>	<u>399,676</u>

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

5. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2023 \$	2022 \$
Long term debt issued for the North Hastings Professional Building matures April 30, 2026. It is repayable in blended monthly instalments of \$4,565 with interest at the rate of 3.08% per annum.	123,184	173,330
Long term debt issued for Hastings Manor matures September 30, 2023. It is repayable in blended monthly instalments of \$51,568 with interest at the rate of 4.64% per annum.	-	455,265
Long term debt issued for Hastings Manor matures September 30, 2023. It is repayable in blended monthly instalments of \$52,353 with interest at the rate of 4.74% per annum.	-	462,009
Long term debt issued for Hastings Manor matures September 30, 2023. It is repayable in blended monthly instalments of \$65,835 with interest at the rate of 4.64% per annum.	-	581,222
Long term debt issued for Hastings Manor matures September 30, 2023. It is repayable in blended monthly instalments of \$20,652 with interest at the rate of 4.14% per annum.	-	182,704
Long term debt issued by the Hastings Local Housing Corporation to the Canada Mortgage and Housing Corporation (CMHC) matures January 1, 2028 and is secured by the land and building at 48A Brant Street, Deseronto, Ontario. It is repayable in blended monthly instalments of \$10,781 with interest at the rate of 3.81% per annum.	488,893	598,516
Long term debt issued by the Hastings Local Housing Corporation to CMHC matures February 1, 2028 and is secured by the land and building at 59 Russell Street, Belleville, Ontario. It is repayable in blended monthly instalments of \$32,851 with interest at the rate of 3.81% per annum.	1,517,734	1,850,757
Debenture issued for the Hastings Local Housing Corporation to OILC matures February 18, 2040. It is repayable in blended semi-annual instalments of \$233,535 with interest at the rate of 2.59% per annum.	6,239,220	6,538,863
Long term debt issued by the Hastings Local Housing Corporation to CMHC matures January 1, 2025 and is secured by the land and building at 424 Bleeker Avenue, Belleville, Ontario. It is repayable in blended monthly instalments of \$16,937 with interest at the rate of 0.69% per annum.	219,297	420,281

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

5. LONG TERM DEBT, continued

Long term debt issued by the Hastings Local Housing Corporation to the Scotiabank matures April 1, 2027 and is secured by the land and building at 24 Brown Street, Belleville, Ontario. It is repayable in blended monthly instalments of \$15,607 with interest at the rate of 2.75% per annum.	1,243,191	1,394,234
Long term debt issued for the Hastings Local Housing Corporation to Scotiabank matures on November 1, 2025 and is secured by the land and building at 46 Tracey Park Drive, Belleville, Ontario. It is repayable in blended monthly instalments of \$21,827 with interest at the rate of 1.18% per annum.	1,002,104	1,250,645
Debenture issued by the County of Hastings to OILC matures June 15, 2041. It is repayable in blended semi-annual instalments of \$118,109 with interest at the rate of 3.30% per annum.	3,121,296	3,251,286
Debenture issued by the County of Hastings to OILC matures July 15, 2024. It is repayable in blended semi-annual instalments of \$58,148 with interest at the rate of 2.05% per annum.	114,532	226,752
Debenture issued for Hastings Manor to OILC matures July 15, 2034. It is repayable in blended semi-annual instalments of \$26,958 with interest at the rate of 2.52% per annum.	515,169	555,343
Debenture issued for Hastings Manor to OILC matures February 18, 2030. It is repayable in blended semi-annual instalments of \$22,943 with interest at the rate of 2.42% per annum.	274,457	313,001
Debenture issued for Hastings Manor to OILC matures July 2, 2040. It is repayable in blended semi-annual instalments of \$53,693 with interest at the rate of 2.06% per annum.	1,533,593	1,608,233
	<u>16,392,670</u>	<u>19,862,441</u>

- (b) The long term debt in (a) issued in the name of the County or the Hastings Local Housing Corporation have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (c) Interest paid during the year on long term debt amounted to \$504,280 (2022 - \$588,387).
- (d) Included in long term debt above are amounts required to finance new facilities at Hastings Manor amounting to \$2,323,220 (2022 - \$4,157,777). A portion of the net cost of this long term debt is recoverable from other municipalities and the Province of Ontario as follows:
- (i) The net cost of this debt is sharable with the City of Belleville based on a proportionate share of residents days and with the City of Quinte West based on a proportionate share of weighted assessment.

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

5. LONG TERM DEBT, continued

- (ii) The Province of Ontario provides annual funding for the facility at the rate of \$10.35 for each approved bed per day, for a period of twenty years from the completion of the projects. The annual contribution from the Province amounts to \$955,752.
- (e) The debentures payable by the County Housing Corporation at December 31, 2023 to the Canada Mortgage and Housing Corporation of \$177,547 (2022 - \$827,810) mature between January 1, 2024 and January 1, 2026 and are secured by land and buildings. These debentures were not assumed by or assigned to the Hastings Local Housing Corporation when the Social Housing devolution occurred on January 1, 2001 and are not recorded in these financial statements.
- (f) The long term debt reported in (a) of this note is repayable as follows based on the current repayment terms:

	Principal \$	Interest \$	Total \$
2024	1,829,502	428,091	2,257,593
2025	1,572,049	382,937	1,954,986
2026	1,562,059	339,574	1,901,633
2027	2,161,554	283,887	2,445,441
2028	742,046	245,242	987,288
	7,867,210	1,679,731	9,546,941
2029 to 2033	3,439,965	951,823	4,391,788
2034 and subsequent years	5,085,495	527,807	5,613,302
	16,392,670	3,159,361	19,552,031

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

6. 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 \$5,000,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate less 0.75% per annum. At December 31, 2023 there was no balance outstanding.

7. CONTINGENT LIABILITIES

The County, in the course of its operations, is often named in lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

8. ASSET RETIREMENT OBLIGATION

The County's asset retirement obligation consists of the following:

(a) Asbestos obligation

The County owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, the County recognized an obligation relating to the removal of the asbestos in these buildings as estimated at January 1, 2023. The buildings have a revised estimated useful life of 20 years. Estimated costs to remediate the asbestos at the end of their useful life has been discounted to the present value using a discount rate of 4.68% per annum.

Changes to the asset retirement obligation in the year are as follows:

	Asbestos removal \$
<u>Asset Retirement Obligation</u>	
Opening balance - January 1, 2023	-
Adjustment on adoption of the asset retirement obligation standard	12,319,142
Opening balance, as restated	12,319,142
Accretion expense	576,536
<u>Closing balance</u>	<u>12,895,678</u>

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

9. EMPLOYEE FUTURE AMOUNTS PAYABLE

Certain employee benefits payable are shareable with the City of Belleville and the City of Quinte West. The portion recoverable from the noted municipal partners at December 31, 2023 is included in the long term receivables.

Actuarial estimates of the future liabilities have been completed and form the basis for the estimated liabilities reported in these consolidated financial statements.

Employee future amounts payable includes the following:

	2023	2022
	\$	\$
Post employment benefits	3,000,168	2,821,106
Future payments for WSIB costs	8,485,365	7,195,264
Unfunded employee future benefits	11,485,533	10,016,370
Vacation pay	3,124,649	3,280,640
Accumulated sick leave benefit plan	143	143
Severance payouts	184,986	184,986
Other amounts payable	3,309,778	3,465,769
	14,795,311	13,482,139

The actuarial valuation for post-employment benefits as at December 31, 2021 was based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Expected inflation rate	1.75%
Future health care cost rates - 2023	5.42%
Future health care cost rates - 2024 - 2028	Decreasing 0.333% per year
Future health care cost rates - 2029 thereafter	3.75%
Future dental cost rate escalation	3.75%
Future salary escalation	2.75%
Future cost of long term debt (discount rate)	4%

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

9. EMPLOYEE FUTURE AMOUNTS PAYABLE, continued

The County sponsors benefit plans to pay costs of certain health and other insurance benefits for eligible employees after they retire.

The continuity of the liability for post-employment benefits is as follows:

	2023	2022
	\$	\$
Accrued benefit obligation at January 1	4,119,025	4,146,578
Unamortized actuarial losses	(1,297,919)	(1,468,156)
Liability at January 1	2,821,106	2,678,422
Current year benefit cost	161,410	152,158
Interest	161,703	162,071
Amortization of actuarial loss	170,238	170,237
Less: benefit payments	(314,289)	(341,782)
Liability at December 31	3,000,168	2,821,106

The actuarial valuation for future payments for WSIB costs as at December 31, 2021 was based on a number of assumptions about future events, such as inflation rates, interest rates, expected future WSIB payments per lost time injury, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

Discount rate	3.00%
Loss of earnings benefits	137%
Expected inflation rate	2.5%
WSIB administration fee	23%
Loss time injury count	38
Mean term of future payments	9 years

The continuity of the liability for future payments for WSIB costs is as follows:

	2023	2022
	\$	\$
Accrued benefit obligation at January 1	11,094,048	10,354,213
Unamortized actuarial losses	(3,898,784)	(4,322,268)
Liability at January 1	7,195,264	6,031,945
Current year benefit cost	1,887,220	1,837,279
Interest	422,555	394,753
Amortization of actuarial loss	519,386	423,484
Less: benefit payments	(1,539,060)	(1,492,197)
Liability at December 31	8,485,365	7,195,264

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

10. TANGIBLE CAPITAL ASSETS

The net book value of the County's tangible capital assets are:

	2023	2022
	\$	\$
General		
Land and land improvements	12,063,656	12,098,484
Buildings	79,620,418	69,449,624
Machinery and equipment	11,561,047	10,951,815
Vehicles	2,028,313	936,971
Infrastructure		
Roads and bridges	1,127,854	1,247,776
	106,401,288	94,684,670
Assets under construction	8,466,728	2,792,902
	114,868,016	97,477,572

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2022 - \$Nil) and no interest capitalized (2022 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2023	2022
	\$	\$
General government	11,211,746	10,725,736
Transportation services	1,378,669	1,512,721
Health services	7,432,523	2,612,964
Social and family services	31,488,852	32,041,377
Social housing	63,291,378	50,519,926
Planning and development	64,848	64,848
	114,868,016	97,477,572

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

11. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2023	2022
	\$	\$
Surplus/(Deficit)		
Hastings Local Housing Corporation	141,955	141,955
Unfunded employee future benefits	(11,485,533)	(10,016,370)
	(11,343,578)	(9,874,415)
Invested In Capital Assets		
Tangible capital assets - net book value	114,868,016	97,477,572
Long term debt	(16,392,670)	(19,862,441)
Unfunded capital - Hastings Manor	-	(39,700)
Unfunded capital - Hastings Manor (b)	(327,054)	(739,495)
Unfunded capital - EMS (b)	(3,929,949)	-
Unfunded asset retirement obligation	(12,895,678)	-
	81,322,665	76,835,936
Surplus	69,979,087	66,961,521
Reserves		
Working funds	3,439,279	3,439,277
General purposes	4,431,949	4,432,373
County highways	1,307,244	667,070
Social services	2,168,505	2,301,035
Ambulance capital	787,521	1,296,155
Hastings and Centennial Manor	4,112,375	2,446,053
Doctor recruitment	674,834	630,902
Social housing	6,394,933	5,857,284
WSIB	2,888,333	2,707,889
Desktop computer replacement	768,558	658,915
Economic development	368,762	156,437
Official plan	335,880	320,880
EMS cross border services	959,555	962,320
Provincial Offences	50,000	40,000
Total Reserves	28,687,728	25,916,590
	98,666,815	92,878,111

(b) These amount will be financed with debt when the projects are complete.

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

12. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the County assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The County is exposed to the following risks:

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise.

(b) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The County has limited exposure to credit risk as most receivables are due from Municipal, Provincial and Federal levels of government.

In the opinion of management, the County is not exposed to any significant liquidity or currency risk.

13. PENSION AGREEMENTS

Certain employees of the County are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2023 Annual Report disclosed total actuarial liabilities of \$136,185 million in respect of benefits accrued for service with actuarial assets of \$131,983 million indicating an actuarial deficit of \$4,202 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits 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.

The County's required contributions to OMERS in 2023 were \$4,354,553 (2022 - \$3,569,997).

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

14. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
Salaries and benefits	73,930,352	74,574,082	71,156,100
Interest charges	430,610	504,280	588,387
Materials	20,233,944	19,330,413	18,521,056
Contracted services	36,063,515	34,756,289	27,110,503
Rents and financial	925,724	1,531,738	1,475,842
External transfers	35,294,749	31,673,713	34,426,466
Amortization	5,728,111	6,731,917	5,728,111
	172,607,005	169,102,432	159,006,465

15. BUDGET FIGURES

The budget, approved by the County, for 2023 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Debt. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

16. PROVINCIAL OFFENCES OFFICES

As a result of the provincial-municipal restructuring under Bill 108, streamlining of administration of Provincial Offences Act ("POA") 1997, the County has assumed responsibility and administration of the POA office and courts.

Revenues from the POA office consists of fines levied under Part I and III (including delay penalties) for POA charges filed at 253 Pinnacle Street in Belleville. Offenders may pay their fines at any court office in Ontario, at which time, their receipt is recorded in the Integrated Courts Operations Network system ("ICON") operated by the Province of Ontario. The County of Hastings recognizes fine revenue when the receipt of funds is recorded by ICON and matched to the offence notice, regardless of the location where payment is made.

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

16. PROVINCIAL OFFENCES OFFICES, continued

Revenues and expenses related to these operations have been reported as follows:

	2023	2022
	\$	\$
Fines	1,398,927	1,519,204
Other revenue	58,327	31,960
Operating costs	(1,185,774)	(1,147,295)
Amounts transferred to City of Belleville	(56,767)	(112,771)
Amounts transferred to City of Quinte West	(72,829)	(139,326)
Net County revenue	141,884	151,772

17. SOCIAL HOUSING

The County of Hastings Housing Corporation was incorporated under Part III of The Ontario Business Corporations Act in response to the Province's overall initiative to devolve Social Housing to local municipalities. The Corporation currently provides 1,433 units of subsidized housing to its tenants and their families.

As the Service Manager, on behalf of the Cities of Belleville and Quinte West and the County of Hastings, the County is now the sole shareholder of the Corporation.

On January 1, 2001 the Ontario Housing Corporation transferred 1,115 units and certain head office assets to the Corporation. The properties transferred carried the following restriction:

"The properties cannot be transferred or mortgaged or otherwise encumbered, developed or redeveloped or disposed of by any person without prior consent of the Minister of Municipal Affairs and Housing."

18. SEGMENTED INFORMATION

The County of Hastings is a municipal government organization that provides a range of services to its residents. County services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation is allocated based on each segment's net requirements. Internal transfers include rent charges which are allocated based on the segment's square footage usage of the County's buildings and computer replacement costs that are allocated based on the segment's proportionate share of the total number of devices. Allocated administration includes the following: 1) Governance costs that are allocated based on the segment's proportionate share of the total number of committees; 2) Corporate management wages and benefits that are allocated based on the estimated percentage of time each employee spends working for each segment and other costs that are allocated based on the average percentage of corporate management wages and benefits allocated to each department; 3) Human resources wages and benefits that are allocated based on the segment's proportionate share as determined by head count; and 4) Information technologies wages and benefits that are allocated based on the segment's proportionate share of the total number of devices.

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

18. SEGMENTED INFORMATION, continued

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

General Government

General government consists of the activities of Council and general financial and administrative management of the County and its programs and services.

Protection Services

Protection services include emergency measures and provincial offences operations for the County of Hastings and the Cities of Belleville and Quinte West.

Transportation Services

The activities of the transportation function include construction and maintenance of the County's roads and bridges and transfer of the Canada Community-Building Fund funding to the lower tier municipalities.

Health Services

The health services function consists of Land Ambulance services for the Counties of Hastings and Prince Edward and the Cities of Belleville and Quinte West and contributions to the Doctor Recruitment Program, Health Care facilities and to the local Health Unit.

Social and Family Services

Social and family services consist of general assistance, homes for the aged and child care services to inhabitants of the County of Hastings and the Cities of Belleville and Quinte West.

Social Housing

Social housing services provides affordable housing to qualified inhabitants of the County of Hastings and the Cities of Belleville and Quinte West.

Planning and Development

The planning and development services function manages commercial, industrial and residential development within the County.

19. COMMITMENTS

(a) The County has entered into lease agreements and service contracts for various office accommodations and equipment. Future lease payments for the next five years are as follows:

2024	\$480,079
2025	396,635
2026	337,818
2027	286,531
2028	276,531

CORPORATION OF THE COUNTY OF HASTINGS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2023

19. COMMITMENTS, continued

(b) The County of Hastings has developed a Doctor Recruitment Program. The Program provides education funding to medical students over a 4 to 6 year period. The students enter into an agreement for the funding in exchange for a minimum 5 year commitment to provide medical services within the County of Hastings.

Future payments for the program are as follows:

2024	\$166,000
2025	112,500
2026	69,500
2027	37,500
2028	22,500

(c) The County has agreed to assist the University Hospitals Kingston Foundation. The total commitment was for \$645,000. The remaining commitment at December 31, 2023 is \$255,000 payable equally over the next 3 years.

(d) The County has agreed to assist the Belleville General Hospital Foundation. The total commitment was for \$500,000. The remaining commitment at December 31, 2023 is \$192,000 payable equally over the next 3 years.

20. TRUST FUNDS

Trust funds administered by the County amounting to \$133,332 (2022 - \$221,848) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the County for the benefit of others, they are not presented as part of the County's financial position or operations.

21. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

CORPORATION OF THE COUNTY OF HASTINGS

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2023

	General				Infrastructure	Assets Under Construction	Totals
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges		
	\$	\$	\$	\$	\$	\$	\$
COST							
Balance, beginning of year	14,330,928	130,299,186	19,741,784	3,527,453	3,733,993	2,792,902	174,426,246
Add: additions during the year	169,134	2,181,192	1,868,605	1,910,462	-	5,673,826	11,803,219
Less: disposals during the year	-	13,215	111,510	870,388	-	-	995,113
Asset retirement obligation	-	12,319,142	-	-	-	-	12,319,142
Balance, end of year	14,500,062	144,786,305	21,498,879	4,567,527	3,733,993	8,466,728	197,553,494
ACCUMULATED AMORTIZATION							
Balance, beginning of year	2,232,444	60,849,562	8,789,969	2,590,482	2,486,217	-	76,948,674
Add: additions during the year	203,962	4,329,540	1,259,373	819,120	119,922	-	6,731,917
Less: disposals during the year	-	13,215	111,510	870,388	-	-	995,113
Balance, end of year	2,436,406	65,165,887	9,937,832	2,539,214	2,606,139	-	82,685,478
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	12,063,656	79,620,418	11,561,047	2,028,313	1,127,854	8,466,728	114,868,016

CORPORATION OF THE COUNTY OF HASTINGS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2023

	General Government \$	Protection Services \$	Transportation Services \$	Health Services \$	Social and Family Services \$	Social Housing \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	3,889,742	(125,249)	14,900	4,533,406	2,801,080	5,410,073	1,645,017	18,168,969
User charges	207,069	8,054	109,825	267,026	9,548,767	7,569,523	174,220	17,884,484
Government transfers - operating	141,933	-	-	11,910,466	84,327,402	4,380,221	-	100,760,022
Government transfers - capital	-	-	-	-	-	965,654	-	965,654
Other municipalities	79,642	157,116	-	11,301,066	9,441,329	10,872,183	-	31,851,336
Provincial Offenses Act - fines	-	1,398,927	-	-	-	-	-	1,398,927
Investment income	593,397	32,955	-	-	1,139,585	240,371	-	2,006,308
Canada Community-Building Fund earned	-	-	1,319,416	-	-	-	197,579	1,516,995
Gain/(loss) on disposal of tangible capital assets	-	-	-	140,901	-	-	-	140,901
Other	-	-	-	-	197,540	-	-	197,540
Total revenues	4,911,783	1,471,803	1,444,141	28,152,865	107,455,703	29,438,025	2,016,816	174,891,136
Expenses								
Salaries and benefits	7,345,040	683,717	-	20,122,452	40,621,294	4,694,288	1,107,291	74,574,082
Interest charges	110,863	-	-	4,076	93,472	295,869	-	504,280
Materials	2,269,508	32,043	2,911	3,355,457	5,797,619	7,604,636	268,239	19,330,413
Contracted services	1,619,152	316,198	105,127	1,673,886	27,197,395	3,762,416	82,115	34,756,289
Rents and financial	138,984	31,869	-	329,287	260,707	762,160	8,731	1,531,738
External transfers	36,000	129,596	1,256,808	149,000	23,527,452	6,532,086	42,771	31,673,713
Amortization	693,964	-	134,052	1,091,966	1,675,080	3,136,855	-	6,731,917
Internal transfers	(1,166,641)	146,200	-	31,700	831,341	157,400	-	-
Allocated administration	(4,966,500)	172,000	-	644,900	3,116,100	811,600	221,900	-
Total expenses	6,080,370	1,511,623	1,498,898	27,402,724	103,120,460	27,757,310	1,731,047	169,102,432
Net surplus/(deficit)	(1,168,587)	(39,820)	(54,757)	750,141	4,335,243	1,680,715	285,769	5,788,704

CORPORATION OF THE COUNTY OF HASTINGS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2022

	General Government \$	Protection Services \$	Transportation Services \$	Health Services \$	Social and Family Services \$	Social Housing \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	3,600,896	(123,464)	6,956	4,256,352	3,572,302	4,127,496	1,516,750	16,957,288
User charges	173,355	9,332	105,965	47,640	9,021,154	7,224,599	179,978	16,762,023
Government transfers - operating	672,396	-	-	12,038,117	77,393,077	5,099,000	-	95,202,590
Government transfers - capital	-	-	-	-	-	778,163	-	778,163
Other municipalities	343,290	145,220	-	9,995,175	8,536,076	10,573,682	-	29,593,443
Provincial Offences Act - fines	-	1,519,204	-	-	-	-	-	1,519,204
Investment income	306,846	15,500	-	-	523,436	51,474	-	897,256
Canada Community-Building Fund earned	-	-	1,202,164	-	-	-	-	1,202,164
Gain/(loss) on disposal of tangible capital assets	-	-	-	39,601	(222,311)	-	-	(182,710)
Other	-	-	-	-	507,807	-	-	507,807
Total revenues	5,096,783	1,565,792	1,315,085	26,376,885	99,331,541	27,854,414	1,696,728	163,237,228
Expenses								
Salaries and benefits	6,951,582	645,902	-	19,175,373	38,877,893	4,530,595	974,755	71,156,100
Interest charges	116,568	-	-	5,298	174,329	292,192	-	588,387
Materials	1,906,583	39,732	2,505	3,225,123	5,518,684	7,622,687	205,742	18,521,056
Contracted services	1,352,095	321,389	105,579	1,523,570	19,889,074	3,845,310	73,486	27,110,503
Rents and financial	63,038	30,332	-	321,883	234,739	820,757	5,093	1,475,842
External transfers	-	252,097	1,202,164	558,000	25,721,521	6,650,015	42,669	34,426,466
Amortization	650,675	-	134,052	982,703	1,617,218	2,343,463	-	5,728,111
Internal transfers	(1,107,044)	144,479	-	20,100	802,934	139,531	-	-
Allocated administration	(4,548,200)	157,000	-	557,200	2,850,500	782,200	201,300	-
Total expenses	5,385,297	1,590,931	1,444,300	26,369,250	95,686,892	27,026,750	1,503,045	159,006,465
Net surplus/(deficit)	(288,514)	(25,139)	(129,215)	7,635	3,644,649	827,664	193,683	4,230,763

INDEPENDENT AUDITOR'S REPORT**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the County of Hastings***Qualified Opinion*

We have audited the financial statements of the Trust Funds of the Corporation of the County of Hastings (the Trust Funds), which comprise the statement of financial position as at December 31, 2023, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2023, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many municipal trust funds, the completeness of the revenue derived from resident receipts and donations are not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Trust Funds. Therefore, we were not able to determine whether any adjustments might be necessary to resident receipts and donations for the years ended December 31, 2023 and 2022, and assets and fund balances as at December 31, 2023 and 2022. Our opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this scope limitation.

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 Trust Funds 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 qualified 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 Canadian Public Sector Accounting Standards, 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 Trust Funds' 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 Trust Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Funds' financial reporting process.

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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.

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 Trust Funds' 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 Trust Funds' 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 Trust Funds 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 8, 2024

CORPORATION OF THE COUNTY OF HASTINGS

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2023

	Benevolent Trust \$	Centennial Manor \$	Hastings Manor \$	2023 Total \$	2022 Total \$
FINANCIAL ASSETS					
Cash	441	22,253	63,461	86,155	173,410
Investment (note 3)	45,541	-	-	45,541	43,964
Due from Centennial Manor	-	3,333	-	3,333	4,474
	45,982	25,586	63,461	135,029	221,848
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	-	-	1,697	1,697	-
FUND BALANCES	45,982	25,586	61,764	133,332	221,848
	45,982	25,586	63,461	135,029	221,848

TRUST FUNDS STATEMENT OF CONTINUITY For the Year Ended December 31, 2023

	Benevolent Trust \$	Centennial Manor \$	Hastings Manor \$	2023 Total \$	2022 Total \$
BALANCES - beginning of year	44,405	99,692	77,751	221,848	249,791
RECEIPTS					
Interest earned	1,577	-	-	1,577	606
Received from residents	-	53,427	108,886	162,313	140,075
Donations	-	1,746	4,341	6,087	20,920
	1,577	55,173	113,227	169,977	161,601
EXPENSES					
Personal needs	-	129,171	123,993	253,164	154,443
Refunds to residents	-	108	5,221	5,329	5,317
Donations	-	-	-	-	29,784
	-	129,279	129,214	258,493	189,544
BALANCES - end of year	45,982	25,586	61,764	133,332	221,848

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE COUNTY OF HASTINGS

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which 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.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the County's best information and judgment. Actual results could differ from these estimates.

2. PURPOSE OF TRUSTS

Benevolent Trust - On November 25, 1987, the Corporation of the County of Hastings (through Hastings Centennial Manor) was bequeathed with funds from the estate of Robert Clark. Interest on the funds are to be used to purchase items for the enjoyment of the residents, not covered by the Home's normal operating budget.

Centennial Manor and Hastings Manor - These funds are for these Homes for the Aged, Long Term Care residents and represent their personal funds that are to be used exclusively for the residents' personal items.

3. INVESTMENT

The investment is stated at fair value and includes purchase amount plus accrued interest. The investment consists of a term deposit which earns interest at the rate of 5.35% (2022 - 3.15%) and matures on December 22, 2024.