

The Corporation of Norfolk County

Consolidated Financial Statements

December 31, 2019



The Corporation of Norfolk County
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December 31, 2019

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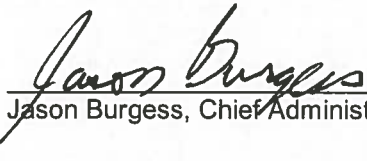
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of The Corporation of Norfolk County have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

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

The Chief Administrative Officer is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements before they are submitted to Council.

The consolidated financial statements have been audited on behalf of the Members of Council, Inhabitants and Ratepayers of The Corporation of Norfolk County by Millard, Rouse & Rosebrugh LLP, in accordance with Canadian generally accepted auditing standards.



Jason Burgess, Chief Administrative Officer



Kathy Laplante, Interim Treasurer, Manager of
Financial Planning and Reporting

July 21, 2020
Simcoe, Ontario

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of The Corporation of Norfolk County (the Corporation), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of accumulated surplus, operations, remeasurement gains and losses, changes in net financial debt and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2019, and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

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

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

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

July 21, 2020
Simcoe, Ontario

Millard, Rouse & Rosebrugh LLP

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

The Corporation of Norfolk County
Consolidated Statement of Financial Position
As at December 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash	\$ 16,989,447	\$ 9,575,479
Investments (Note 4)	110,560,475	86,696,649
Taxes receivable	10,083,547	9,054,098
Accounts receivable	6,266,822	6,673,227
Other financial assets	54,644	26,157
	143,954,935	112,025,610
LIABILITIES		
Accounts payable	27,253,557	22,681,946
Employee benefits liability (Note 5)	12,869,700	12,869,100
Deferred revenue (Note 6)	28,211,503	24,043,992
Solid waste landfill closure and post-closure liability (Note 7)	18,073,780	17,878,768
Long term liabilities (Note 8)	75,985,451	54,338,917
	162,393,991	131,812,723
NET FINANCIAL DEBT	(18,439,056)	(19,787,113)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	570,645,027	556,669,660
Prepaid expenses	1,163,394	1,318,804
Inventory	505,851	423,785
	572,314,272	558,412,249
ACCUMULATED SURPLUS	\$553,875,216	\$538,625,136
ACCUMULATED SURPLUS IS COMPRISED OF:		
Accumulated operating surplus (Note 10)	\$547,012,236	\$538,625,136
Accumulated remeasurement gains	6,862,980	-
	\$553,875,216	\$538,625,136

The accompanying notes are an integral part of the financial statements

The Corporation of Norfolk County
Consolidated Statement of Changes in Accumulated Surplus
Year ended December 31, 2019

	2019	2018
Accumulated surplus - beginning of year		
As previously reported	\$538,625,136	\$529,526,687
Fair market value adjustment of investments	2,002,818	-
Less: Unrealized gain on investments reclassified to accumulated remeasurement gains <i>(Note 2)</i>	(771,405)	-
As restated	539,856,549	529,526,687
	7,155,687	9,098,449
ACCUMULATED SURPLUS - END OF YEAR	\$547,012,236	\$538,625,136

The accompanying notes are an integral part of the financial statements

The Corporation of Norfolk County
Consolidated Statement of Operations
Year ended December 31, 2019

	Budget 2019	2019	2018
	<i>(Note 17)</i>		
REVENUE			
Taxation	\$ 92,257,100	\$ 92,131,620	\$ 87,591,424
Government transfers - Federal <i>(Note 11)</i>	65,700	5,105,999	5,638,771
Government transfers - Provincial <i>(Note 12)</i>	62,264,300	61,526,297	60,818,060
Recoveries from other municipalities	3,050,300	2,923,986	2,630,921
User charges	28,452,000	28,570,624	28,988,545
Other income <i>(Note 13)</i>	11,398,500	14,764,598	11,645,645
	197,487,900	205,023,124	197,313,366
Expenses			
General government	17,493,819	19,686,544	15,858,810
Protection services	20,474,197	20,064,441	19,692,606
Transportation services	32,841,760	37,888,515	33,963,836
Environmental services	29,203,702	28,988,793	28,304,930
Health services	19,533,316	18,050,173	18,289,242
Social and family services	47,767,941	44,888,335	45,716,030
Social housing	8,672,600	8,642,496	6,484,985
Recreation and cultural services	16,001,369	16,001,557	15,729,011
Planning and development	4,418,044	3,656,583	4,175,467
	196,406,748	197,867,437	188,214,917
ANNUAL SURPLUS	\$ 1,081,152	\$ 7,155,687	\$ 9,098,449

The accompanying notes are an integral part of the financial statements

The Corporation of Norfolk County
Consolidated Statement of Remeasurement Gains and Losses
As at December 31, 2019

	2019
Accumulated remeasurement gains - beginning of year (Note 2)	\$ 771,405
Unrealized gains attributed to:	
Investments	6,112,249
Amounts reclassified to the Consolidated Statement of Operations:	
Investments	(20,674)
Net remeasurement gains for the year	6,091,575
ACCUMULATED REMEASUREMENT GAINS - END OF YEAR	\$ 6,862,980

The accompanying notes are an integral part of the financial statements

The Corporation of Norfolk County
Consolidated Statement of Changes in Net Financial Debt
Year ended December 31, 2019

	Budget 2019	2019	2018
	<i>(Note 17)</i>		
ANNUAL SURPLUS	\$ 1,081,152	\$ 7,155,687	\$ 9,098,449
Amortization of tangible capital assets	26,290,548	26,290,548	25,032,257
Purchase of tangible capital assets	(38,711,000)	(40,445,713)	(36,532,914)
Proceeds on disposal of tangible capital assets	-	703,899	358,740
Loss (gain) on disposal of assets	-	(524,101)	11,445
Decrease in prepaid expenses	-	155,410	78,178
Decrease (increase) in inventory	-	(82,066)	44,638
Net remeasurement gains for the year	-	6,091,575	-
Fair market value adjustment of investments	-	2,002,818	-
	(12,420,452)	(5,807,630)	(11,007,656)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(11,339,300)	1,348,057	(1,909,207)
Net financial debt - beginning of year	(19,787,113)	(19,787,113)	(17,877,906)
NET FINANCIAL DEBT - END OF YEAR	\$ (31,126,413)	\$ (18,439,056)	\$ (19,787,113)

The accompanying notes are an integral part of the financial statements

The Corporation of Norfolk County
Consolidated Statement of Cash Flow
Year ended December 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Annual surplus	\$ 7,155,687	\$ 9,098,449
Items not affecting cash:		
Amortization of tangible capital assets	26,290,548	25,032,257
Loss on disposal of tangible capital assets	(524,101)	11,445
Net remeasurement gains for the year	6,091,575	-
Fair market value adjustment of investments	2,002,818	-
	41,016,527	34,142,151
Changes in non-cash working capital:		
Taxes receivable	(1,029,449)	(370,440)
Accounts receivable	406,405	(10,153)
Other financial assets	(28,487)	(6,191)
Accounts payable	4,571,611	3,019,767
Employee benefits liability	600	(206,000)
Deferred revenue	4,167,511	(1,912,201)
Solid waste landfill closure and post-closure liability	195,012	(228,604)
Prepaid expenses	155,410	78,178
Inventory	(82,066)	44,638
	8,356,547	408,994
Cash flow from operating activities	49,373,074	34,551,145
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(40,445,713)	(36,532,914)
Proceeds from sale of tangible capital assets	703,899	358,740
Cash flow used by capital activities	(39,741,814)	(36,174,174)
FINANCING ACTIVITIES		
Long term debt issued	27,124,500	-
Repayment of long term debt	(5,477,966)	(5,580,499)
Cash flow from (used by) financing activities	21,646,534	(5,580,499)
INCREASE (DECREASE) IN CASH FLOW	31,277,794	(7,203,528)
Cash - beginning of year	96,272,128	103,475,656
CASH - END OF YEAR	\$ 127,549,922	\$ 96,272,128
CASH CONSISTS OF:		
Cash	\$ 16,989,447	\$ 9,575,479
Investments	110,560,475	86,696,649
	\$ 127,549,922	\$ 96,272,128

The accompanying notes are an integral part of the financial statements

The Corporation of Norfolk County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

1. INCORPORATION

Effective January 1, 2001, Norfolk County was incorporated as a single tier municipality. Norfolk County assumed all assets, liabilities and operations of the former Town of Simcoe, Township of Norfolk and Township of Delhi, and some of the assets, liabilities and operations of the former City of Nanticoke and former Regional Municipality of Haldimand-Norfolk.

Based upon the provisions of the Fewer Municipal Politicians Act (1999) and regulations passed under this Act, Norfolk County was given the administrative responsibility as the Consolidated Municipal Service Manager, as well as the Board of Health, for the provision of Public Health and Social Services to both Haldimand County and Norfolk County. An Advisory Board (the Joint Health and Social Services Advisory Committee) made up of three Council representatives from each County provides recommendations to Norfolk County. Haldimand County has been given the administrative responsibility over investments and long term debt of the former regional municipality as at December 31, 2000, some of which are to be shared with Norfolk County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

During the year, the County has adopted the following new Public Sector Accounting Standards:

1. PS 1201 Financial Statement Presentation
2. PS 2601 Foreign Currency Translation
3. PS 3041 Portfolio Investments
4. PS 3450 Financial Instruments

The implementation of these standards has resulted in the addition of the Consolidated Statement of Remeasurement Gains and Losses. As a result of adopting these standards, changes in the fair value of investments are recorded in the Consolidated Statement of Remeasurement Gains and Losses. In accordance with these new standards, opening accumulated surplus has been reduced by \$771,405 and opening accumulated remeasurement gains have been recorded as \$771,405. The financial statements of prior periods, including comparative information, have not been restated.

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

Reporting entity

(i) Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, changes in accumulated surplus, and changes in net financial assets of the reporting entity. The consolidated financial statements include the activities of all committees of Council and local boards, municipal enterprises and utilities which are owned or controlled by the County. These consolidated financial statements include:

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The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Norfolk County Public Library Board
Simcoe Business Improvement Area
Delhi Business Improvement Area

All inter-departmental and inter-organizational transactions and balances between these organizations have been eliminated.

(ii) Joint local boards

As explained in Note 1, Norfolk County has been given administrative responsibility for the following joint local boards:

Joint Health and Social Services Advisory Committee

Amounts paid to Norfolk County for Haldimand County's proportionate share of Health, Social and Family Services and Social Housing are recorded as recoveries from other municipalities on the Consolidated Statement of Operations.

(iii) Accounting for school board transactions

The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements. The taxation revenue collected and remitted on behalf of the school boards amounted to \$20,565,073 (2018 - \$20,326,575).

(iv) Trust funds

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Balance Sheet".

(v) Provincial offences fines

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

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

An accumulated receivable balance for the value of fines issued but unpaid as at the year-end date amounts to \$6,561,756 (2018 - \$6,201,150) and is not recorded in these consolidated financial statements.

(vi) Haldimand-Norfolk Housing Corporation

Bill 128 (the Social Housing Reform Act, 2000) provided for the formation of local housing corporations to be organized under the provisions of the Ontario Business Corporations Act with a municipal service manager as the sole shareholder. The Haldimand-Norfolk Housing Corporation was incorporated under the Ontario Business Corporations Act on December 14, 2000. The Corporation was deemed upon incorporation to have issued 100 common shares to The Corporation of Norfolk County. On July 12, 2001, 40 of those shares were transferred to The Corporation of Haldimand County. Haldimand-Norfolk Housing Corporation financial statements are not consolidated within these financial statements. The Haldimand-Norfolk Housing Corporation have their own audited financial statements reported separately.

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The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation

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

Revenue recognition

(i) Taxation

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

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

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

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

(ii) Government transfers

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

(iii) User charges

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

(iv) Other income

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

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The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

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

Land improvements	4 to 75 years
Buildings and structures	10 to 75 years
Infrastructure	10 to 75 years
Vehicles, machinery and equipment	4 to 35 years

Investments

Investments consist of authorized investments pursuant to provisions of the Municipal Act and comprise of government bonds, debentures, pooled investment funds and short term instruments of various financial institutions. Government bonds and internal debentures are recorded at amortized cost. Pooled investment funds and short term instruments are held in portfolios and are quoted in an active market. They are recorded at fair market value less any amounts written off to reflect a permanent decline in value.

Investment income earned on available current funds, reserves and reserve funds (other than obligatory funds) are reported in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances. Changes in the fair market value of portfolio investments and short term instruments are recognized in the statement of remeasurement gains and losses in the period in which they occur.

Inventory

Inventory of supplies held for consumption is valued at the lower of cost and replacement value.

Deferred revenue

The municipality receives funds for specific purposes, which are externally restricted by legislation, regulation or agreement. These restricted funds are not available for general municipal purposes and are recognized as revenue in the fiscal year the funds are used for the specified purpose.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement uncertainty

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

Significant items subject to such estimates and assumptions include valuation allowances for taxes receivable, accounts receivable, employee benefits liability and solid waste landfill closure and post-closure liability. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the year which they become known.

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

3. CONTAMINATED SITES

A contaminated site is an unproductive site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. A liability for remediation of contaminated sites is recognized when the County is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate for the amount can be made. All criteria must be met in order to recognize a liability. As at December 31, 2019, there is no liability recorded in the consolidated financial statements. The County will continue to review contaminated sites on an annual basis and when the criteria for recognition have been met, a liability will be recorded.

4. INVESTMENTS

Investments, as at December 31, consist of the following:

	<u>2019</u>		<u>2018</u>	
	Market value	Carrying value	Market value	Carrying value
Government bonds	\$ 2,823,332	\$ 2,420,132	\$ 2,668,606	\$ 2,433,881
GICs and short term savings	7,147,604	7,147,604	14,002,227	14,002,227
ONE Fund Investments	28,120,632	28,120,632	3,518,606	3,518,606
ONE Fund Investments - Legacy	72,199,226	72,199,226	67,748,213	65,745,395
Other	672,881	672,881	996,540	996,540
	\$110,963,675	\$110,560,475	\$ 88,934,192	\$ 86,696,649

Included in the County's other investments are internal debentures with a coupon rate range of 2.61% (2018 - 2.61%) with a carrying value of \$672,881 (2018 - \$996,540).

The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

5. EMPLOYEE BENEFITS LIABILITY

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

	2019	2018
Vested and non-vested sick leave	\$ 2,442,400	\$ 2,450,600
Post employment and post retirement benefits	6,224,300	6,387,900
Workers' compensation	4,203,000	4,030,600
	\$ 12,869,700	\$ 12,869,100

The County is also liable for accrued severances. These liabilities as at December 31, 2019, are \$1,700,525 (2018 - \$1,213,496) and are recorded in accounts payable.

a) Liability for vested and non-vested sick leave benefits

Under the sick leave benefit plan, unused sick leave can be accumulated and some employees may become entitled to a cash payment when they leave the municipality's employment. The amount paid to employees who left the County's employment during the year amounted to \$91,438 (2018 - \$189,143).

A comprehensive actuarial evaluation for the vested and non-vested sick leave benefits liability was conducted as at December 31, 2017. The report includes projections for the years 2018 and 2019.

b) Post employment and post retirement benefits

Norfolk County provides retirement benefits consisting of health care, dental, and life insurance to qualifying members.

A comprehensive actuarial evaluation for the employee benefits liability was conducted as at December 31, 2017. The report includes projections for the years 2018 and 2019. Significant assumptions used in the actuarial evaluation are:

Discount rate	3.3%
Extended healthcare trend rate	
Initial	8.2%
Ultimate	4.0%
Year ultimate reached	2038
Vision	2.0%
Other health	4.0%
Dental	4.0%

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The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

5. EMPLOYEE BENEFITS LIABILITY (continued)

c) Workers' compensation

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

A comprehensive actuarial evaluation for the future liability of WSIB benefits was conducted for the year ending December 31, 2016. The report includes projections for the years 2017 to 2019.

The significant assumptions used in the actuarial evaluation for the County's WSIB liabilities are:

Net discount rate	3%
Inflation rate	2%
Future cost of loss of earnings benefit	2%
Future cost of full indexed survivor benefits	2%
Future cost of health benefits	4%
Retirement age	65 years

The County has established a reserve fund for WSIB costs, which has a balance of \$2,988,465 (2018 - \$2,475,453).

Haldimand County also administers a reserve fund for workers' compensation, in trust, from the former Regional Municipality of Haldimand-Norfolk, which has a gross amount of \$402,892 (2018 - \$421,510), which is to be shared with Norfolk County.

6. DEFERRED REVENUE

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Professional Accountants, is that obligatory reserve funds be reported as deferred revenue.

This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in deferred revenue including obligatory reserve funds of The Corporation of Norfolk County are as follows:

	Opening balance	Contributions received	Investment income	Revenue recognized	Ending balance
Recreational land	\$ 380,467	\$ 108,022	\$ 7,013	\$ (148,587)	\$ 346,915
Building permits	1,720,738	336,343	32,652	(32,702)	2,057,031
Development charges	8,311,336	2,961,332	161,954	(4,191,955)	7,242,667
Provincial OCIF	595,009	2,547,527	26,213	(887,274)	2,281,475
Provincial gas tax	-	187,676	-	(68,900)	118,776
Federal gas tax	11,938,532	7,985,027	271,662	(5,180,938)	15,014,283
Other	1,097,910	254,622	2,961	(205,137)	1,150,356
	\$24,043,992	\$14,380,549	\$ 502,455	\$(10,715,493)	\$28,211,503

The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

7. SOLID WASTE LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

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

Canborough landfill site is also jointly owned by Norfolk County and Haldimand County. The Canborough landfill site was temporarily closed, to be re-opened and used once Tom Howe landfill site reached its capacity. In July 2014, it was decided by both counties that the Canborough landfill site would not be re-opened and would be permanently closed.

The costs of closing and maintaining the landfill sites are shared by both Norfolk County and Haldimand County. It is estimated that Norfolk County's share of the total costs to close and maintain the sites are approximately \$18,073,780. The estimated costs are calculated at net present value. Norfolk County has not designated any specific assets to assist with the cost of closing the sites. Post-closure activities will continue for approximately 50 years for both landfill sites.

Key assumptions in determining the liability at December 31, 2019, for the sites are as follows:

Inflation rate	2.0%
Discount rate	4.0%
Estimated time for post-closure site rehabilitation and monitoring	50 years

	2019	2018
Capital costs upon closure	\$ 419,464	\$ 549,381
Closed landfill site rehabilitation and monitoring	17,654,316	17,329,387
	\$18,073,780	\$17,878,768

The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

8. LONG TERM LIABILITIES

a) Long term liabilities reported on the Consolidated Statement of Financial Position is comprised of the following:

	2019	2018
Total long term liabilities issued or assumed by the municipality and outstanding at the end of the year amounts to:	\$75,228,101	\$53,217,278
Total long term loans from reserve funds and outstanding at the end of the year amounted to:	757,350	1,121,639
	\$75,985,451	\$54,338,917

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

2020	\$15,319,543
2021	5,178,411
2022	4,862,601
2023	4,934,669
2024	4,568,444
Thereafter	<u>41,121,783</u>
	<u>\$75,985,451</u>

The above long term liabilities have maturity dates ranging from 2020 to 2037 with interest rates varying between 1.45% to 5.794%. Included in the principal repayment for 2020 is a balloon payment of \$10,000,000 for By-Law 2010-230.

c) The long term liabilities in part (a) have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayments and limits prescribed by the Ministry of Municipal Affairs and Housing.

The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

9. TANGIBLE CAPITAL ASSETS

	Land	Land improvements	Buildings and structures	Infrastructure	Vehicles, machinery and equipment	Assets under construction	2019
Cost, beginning of year	\$13,032,961	\$ 30,263,636	\$170,663,508	\$609,915,441	\$ 59,604,406	\$47,040,400	\$930,520,352
Additions	484,215	1,209,496	879,376	32,774,620	4,422,705	40,445,713	80,216,125
Disposals	(118,332)	-	(96,789)	(159,461)	(1,326,269)	-	(1,700,851)
Transfer to capital assets	-	-	-	-	-	(39,770,413)	(39,770,413)
Cost, end of year	13,398,844	31,473,132	171,446,095	642,530,600	62,700,842	47,715,700	969,265,213
Accumulated amortization, beginning of year	-	14,701,109	65,594,431	256,502,894	37,052,258	-	373,850,692
Amortization	-	532,515	5,771,456	15,580,087	4,406,490	-	26,290,548
Disposals	-	-	(135,137)	(70,392)	(1,315,525)	-	(1,521,054)
Accumulated amortization, end of year	-	15,233,624	71,230,750	272,012,589	40,143,223	-	398,620,186
Net carrying amount, end of year	\$13,398,844	\$ 16,239,508	\$100,215,345	\$370,518,011	\$ 22,557,619	\$47,715,700	\$570,645,027

(continues)

The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

9. TANGIBLE CAPITAL ASSETS (continued)

	Land	Land improvements	Buildings and structures	Infrastructure	Vehicles, machinery and equipment	Assets under construction	2018
Cost, beginning of year	\$12,537,721	\$ 30,027,543	\$164,548,912	\$594,152,048	\$ 56,267,116	\$39,340,023	\$896,873,363
Additions	498,975	236,093	6,231,281	16,642,222	5,223,965	36,532,914	65,365,450
Disposals	(3,735)	-	(116,685)	(878,829)	(1,886,675)	-	(2,885,924)
Transfer to capital assets	-	-	-	-	-	(28,832,537)	(28,832,537)
Cost, end of year	13,032,961	30,263,636	170,663,508	609,915,441	59,604,406	47,040,400	930,520,352
Accumulated amortization, beginning of year	-	14,173,641	60,311,423	241,960,086	34,889,025	-	351,334,175
Amortization	-	527,468	5,334,174	15,204,178	3,966,436	-	25,032,256
Disposals	-	-	(51,166)	(661,370)	(1,803,203)	-	(2,515,739)
Accumulated amortization, end of year	-	14,701,109	65,594,431	256,502,894	37,052,258	-	373,850,692
Net carrying amount, end of year	\$13,032,961	\$ 15,562,527	\$105,069,077	\$353,412,547	\$ 22,552,148	\$47,040,400	\$556,669,660

The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

10. ACCUMULATED SURPLUS

The Corporation of Norfolk County segregates its accumulated surplus into the following categories:

	2019	2018
Investment in tangible capital assets	\$ 570,645,027	\$ 556,669,660
Long term liabilities	(75,985,451)	(54,338,917)
Unfinanced capital	(15,497,817)	(24,973,458)
Net investment in tangible capital assets	479,161,759	477,357,285
Operating deficit	(132,967)	(540,207)
Water surplus	952,709	574,371
Wastewater surplus	312,675	483,533
	1,132,417	517,697
Business Improvement Areas		
Delhi BIA surplus	31,725	15,320
Simcoe BIA surplus (deficit)	16,940	(19,762)
	48,665	(4,442)
Reserves		
Contingencies	599,603	637,233
Council initiative	148,636	-
Capital purposes	(8,431,228)	(9,387,425)
Other	1,722,314	1,205,461
	(5,960,675)	(7,544,731)
Reserve funds		
Capital replacement - wastewater	11,922,381	7,535,428
Capital replacement - water	16,663,797	16,175,171
Waste management	(1,653,401)	(1,888,051)
WSIB	2,988,465	2,475,453
Legacy Fund	63,836,246	65,731,053
Other	3,179,072	2,057,291
	96,936,560	92,086,345
Unfunded liabilities		
Solid waste landfill liability	(18,073,780)	(17,878,768)
Post employment benefits liability	(4,416,310)	(4,142,850)
Non-vested sick leave liability	(1,816,400)	(1,765,400)
	(24,306,490)	(23,787,018)
	\$ 547,012,236	\$ 538,625,136

The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

11. GOVERNMENT TRANSFERS - FEDERAL

	Budget (Note 17)	2019	2018
Operating			
Conditional	\$ 65,700	\$ 58,092	\$ 25,118
Capital			
Infrastructure funding	-	138,631	359,112
Federal gas tax revenue	-	4,909,276	5,254,541
	\$ 65,700	\$ 5,105,999	\$ 5,638,771

12. GOVERNMENT TRANSFERS - PROVINCIAL

	Budget (Note 17)	2019	2018
Operating			
Ontario Municipal Partnership Fund	\$ 5,842,200	\$ 6,130,000	\$ 5,842,200
Modernization funding	-	725,000	-
Conditional	56,422,100	53,195,475	51,911,426
Capital			
Infrastructure funding	-	1,406,922	3,019,029
Provincial gas tax revenue	-	68,900	45,405
	\$ 62,264,300	\$ 61,526,297	\$ 60,818,060

13. OTHER INCOME

	Budget (Note 17)	2019	2018
Licenses, permits, rents and concessions	\$ 4,619,700	\$ 4,799,315	\$ 4,564,271
Provincial offences and other fines	994,400	727,178	767,596
Penalties and interest on taxes	1,300,000	1,447,505	1,226,654
Investment income	3,097,200	1,822,522	2,088,475
Developer contributions	65,000	4,385,528	2,667,678
Gain (loss) on disposal of tangible capital assets	1,079,200	524,101	(11,445)
Donations	243,000	1,058,449	342,416
	\$ 11,398,500	\$ 14,764,598	\$ 11,645,645

The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

14. CONTRACTUAL OBLIGATIONS

a) Veolia Water Canada

Norfolk County has entered into an agreement with Veolia Water Canada for the operation and maintenance of the County's wastewater treatment facilities and pumping stations. The contract expires June 30, 2020. The annual cost of this contract for 2019 was \$2,994,391 (2018 - \$2,952,547).

b) Landfill sites

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

c) Ontario Provincial Police contract

Norfolk County has a five-year agreement with the Solicitor General of Ontario for the provision of police services. The five-year term expires in December 2024. The annual cost of this contract for 2019 was \$12,909,310 (2018 - \$12,374,427).

d) Office building lease

Norfolk County has entered into an agreement to lease office space. The lease commitment date commenced June 2015 and the initial term of the lease is 15 years. The amount paid in 2019 for this contract was \$911,515 (2018 - \$885,863).

15. PENSION AGREEMENTS

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

The amount contributed to OMERS for current service is included as an expenditure on the Consolidated Statement of Operations. The amount contributed to OMERS for 2019 was \$4,758,997 (2018 - \$4,731,131). Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the municipality does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements.

The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

16. PUBLIC LIABILITY INSURANCE

Norfolk County has a program of risk identification, evaluation and control to minimize the risk of injury to its employees and to third parties and to minimize the risk of damage to its property and the property of others. It uses a combination of the self-insurance and purchased insurance to protect itself financially against risk that it cannot reasonably control. The municipality has adequate self-insurance coverage. Purchased insurance coverage is in place for claims in excess of the municipality's self-insurance coverage to a maximum of \$20,000,000 with the exception of certain environmental liability claims, should such claims arise.

At December 31, 2019, there are outstanding legal and liability claims against Norfolk County. Any insured amounts have not been provided for in the financial statements, as the outcome of the related claim(s) is not in excess of insurance coverage. For claims not covered by purchased insurance, a reserve has been established by Norfolk County (post restructuring), which has a balance at December 31, 2019 of \$1,361,472 (2018 - \$1,225,026).

17. BUDGET FIGURES

The operating budgets adopted by Norfolk County Council were not prepared on a basis consistent with the reporting requirements of the Public Sector Accounting Board. The budgets were prepared in accordance with the Municipal Act, 2001 on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis to be used for financial statements. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the Consolidated Statements of Operations represent the budget adopted by Council with adjustments as follows:

	2019
Operating budget surplus for the year adopted by Council	\$ -
Add:	
Budgeted transfers to the capital fund for tangible capital asset purchases	1,240,500
Budgeted transfers to reserves and reserve funds	24,956,500
Principal payments on debt	5,224,700
Less:	
Amortization	(26,290,548)
Budgeted transfers from reserves and reserve funds	(4,050,000)
Budget deficit per Consolidated Statement of Operations	\$ 1,081,152

18. COMPARATIVE FIGURES

Certain prior year figures have been adjusted to conform with the 2019 financial statement presentation.

The Corporation of Norfolk County

Notes to Consolidated Financial Statements

Year ended December 31, 2019

19. FINANCIAL INSTRUMENTS

The Corporation is exposed to various risks through its financial instruments and continues to monitor, evaluate and manage these risks. The following analysis provides information about the Corporation's risk exposure and concentration as of December 31, 2019.

(a) Credit risk

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

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, contributions to the pension plan, and accounts payable.

(c) Market risk

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

(d) Interest rate risk

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

(e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Corporation is exposed to other price risk through its investment in portfolio investments.

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

The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

20. SUBSEQUENT EVENTS

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian, Ontario and Municipal governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses in Ontario resulting in an economic slowdown. The Federal and Provincial Governments, as well as the Bank of Canada, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, working capital and debt requirements, which may also have a direct impact on the County's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and our business are not known at this time.

21. SEGMENTED INFORMATION

The Corporation of Norfolk County is a single-tier municipality that provides a wide range of services to its residents. The major services chosen for segmented disclosure are the five departments that consume the greatest amount of the County's total operating expenses. The revenue and expenses reported for each segment includes directly attributable amounts as well as internal charges and recoveries allocated on a reasonable basis.

A description of each major service and the activities each provide are as follows:

Protection services

The protection services includes fire, police, conservation authority, protection inspection and control, emergency measures, and Provincial Offences Act.

Transportation services

The transportation services department is responsible for the safe and efficient movement of people and goods within Norfolk County. Responsibilities include road construction and maintenance, traffic signals and signs, winter control, developing parking and traffic by-laws, and implementation and maintenance of street lighting.

Environmental services

This segment includes sanitary sewer system, storm sewer system, waterworks system, waste collection and disposal, recycling and administration.

Social and family services

Social and family services includes general assistance for Ontario Works, assistance to aged persons for Norview Lodge, and child care.

Other services

Other services includes general government, health services, social housing, recreation and cultural services and planning and development.

(continues)

The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

21. SEGMENTED INFORMATION (continued)

	Protection services	Transportation services	Environmental services	Social and family services	Other services	Consolidated 2019
Revenue						
Government transfers	\$ 488,056	\$ 381,926	\$ 1,355,514	\$ 34,156,638	\$ 30,250,162	\$ 66,632,296
User charges	376,457	324,663	20,156,577	4,998,826	2,714,101	28,570,624
Other revenue [1]	3,020,325	502,678	2,489,545	1,045,212	10,630,824	17,688,584
	3,884,838	1,209,267	24,001,636	40,200,676	43,595,087	112,891,504
Expenses						
Salaries, wages and benefits	4,360,942	8,221,930	4,083,072	17,846,984	36,572,312	71,085,240
Materials	710,716	6,270,022	1,516,709	1,884,902	6,272,662	16,655,011
Contracted services	13,857,168	6,274,778	12,515,324	2,832,496	6,674,694	42,154,460
External transfers	11,258	-	2,131,262	20,903,470	11,436,069	34,482,059
Financial expenses	37,792	2,732,554	519,458	106,989	1,768,029	5,164,822
Interest on long term liabilities	13,168	434,772	909,765	569,553	108,039	2,035,297
Amortization	1,073,397	13,954,459	7,313,203	743,941	3,205,548	26,290,548
	20,064,441	37,888,515	28,988,793	44,888,335	66,037,353	197,867,437
Deficiency of revenue over expenses for the year financed by net municipal levy	\$(16,179,603)	\$(36,679,248)	\$(4,987,157)	\$(4,687,659)	\$(22,442,266)	\$ (84,975,933)
Taxation revenue						92,131,620
Annual surplus						\$ 7,155,687

[1] Other revenue - Includes fines, penalties and interest on taxes, recoveries from other municipalities, investment income, sale of assets, prepaid special charges and donations.

The Corporation of Norfolk County
Notes to Consolidated Financial Statements
Year ended December 31, 2019

21. SEGMENTED INFORMATION (continued)

	Protection services	Transportation services	Environmental services	Social and family services	Other services	Consolidated 2018
Revenue						
Government transfers	\$ 298,093	\$ 730,445	\$ 1,265,500	\$ 35,156,215	\$ 29,006,578	\$ 66,456,831
User charges	375,661	209,758	20,453,707	4,839,359	3,110,060	28,988,545
Other revenue [1]	2,722,173	396,510	1,757,010	939,395	8,461,478	14,276,566
	3,395,927	1,336,713	23,476,217	40,934,969	40,578,116	109,721,942
Expenses						
Salaries, wages and benefits	4,401,788	8,061,463	4,222,871	17,739,279	35,079,041	69,504,442
Materials	828,747	6,184,128	1,543,519	1,896,314	6,625,871	17,078,579
Contracted services	13,323,721	5,202,403	12,345,104	2,803,207	6,585,858	40,260,293
External transfers	8,031	-	2,258,981	21,852,729	7,398,439	31,518,180
Financial expenses	39,425	292,110	421,624	111,671	1,718,847	2,583,677
Interest on long term liabilities	18,457	454,106	990,541	644,608	129,777	2,237,489
Amortization	1,072,437	13,769,626	6,522,290	668,222	2,999,682	25,032,257
	19,692,606	33,963,836	28,304,930	45,716,030	60,537,515	188,214,917
Deficiency of revenue over expenses for the year financed by net municipal levy	\$(16,296,679)	\$(32,627,123)	\$(4,828,713)	\$(4,781,061)	\$(19,959,399)	\$(78,492,975)
Taxation revenue						87,591,424
Annual deficit						\$ 9,098,449

[1] Other revenue - Includes fines, penalties and interest on taxes, recoveries from other municipalities, investment income, sale of assets, prepaid special charges and donations.

The Corporation of Norfolk County

Library Division - Schedule of Operations

Year ended December 31, 2019

	2019	2018
REVENUE		
Government transfers	\$ 119,013	\$ 131,303
Fees and service charges	34,185	27,748
Other revenue	81,599	102,475
	234,797	261,526
Expenses		
Salaries, wages and benefits	1,877,753	1,854,346
Materials and supplies	194,405	158,068
Services	305,123	333,714
Interdepartmental charges and interest	196,607	191,394
Amortization	317,716	324,571
	2,891,604	2,862,093
Deficiency of revenue over expenses before undernoted items	(2,656,807)	(2,600,567)
Transfer to reserves	310,000	292,000
Debt principal repayments	85,492	131,356
	395,492	423,356
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR FINANCED BY NET MUNICIPAL LEVY	\$ (3,052,299)	\$ (3,023,923)

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

The Corporation of Norfolk County
Museum Division - Schedule of Operations
Year ended December 31, 2019

	2019	2018
REVENUE		
Government transfers	\$ 49,764	\$ 49,787
Fees and service charges	178,109	86,965
	227,873	136,752
Expenses		
Salaries, wages and benefits	663,029	570,392
Materials and supplies	144,024	139,259
Services	117,486	88,145
Interdepartmental charges and interest	43,127	46,078
Amortization	113,147	120,077
	1,080,813	963,951
Deficiency of revenue over expenses before undernoted items	(852,940)	(827,199)
Transfer to reserves	93,768	-
Debt principal repayments	31,767	30,789
	125,535	30,789
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR FINANCED BY NET MUNICIPAL LEVY	\$ (978,475)	\$ (857,988)

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