

# Financial Report 2023

A summary of Norfolk County's financial status



Illustration by former Norfolk County  
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Norfolk  
COUNTY

# A Message From the Chief Administrative Officer

Norfolk continued its long journey towards improved financial health for both today and tomorrow in 2023. As a growing single tier municipality, with both rural and urban areas requiring unique services, Norfolk continues to build on its strengths and proactively tackle its emerging challenges. Under Council's direction and guidance, staff will continue to be diligent in delivering this term of Council's priorities with a view to solidifying a financial foundation for future generations.

## 2023 highlights:

- Norfolk County Council's strategic plan for 2022-2026 continues to provide guidance over the next few years, which includes a strategic priority entitled "Sustaining Norfolk" - creating a sustainable community and a positive legacy. For the financial landscape of the County, this means to ensure financial sustainability and to continue long-term planning that is realistic, affordable and sustainable. As evidenced in the 2023 financial statements, this priority continues to progress and is expected to do so in the coming years.
- There was a continued improvement in net financial assets, which is positive for Norfolk. Net financial assets are a measure of the municipality's requirement to generate future revenues to fund past services and transactions, and demonstrates its ability to settle existing liabilities. The County, having a positive net financial asset position means that the County has some savings in place for future needs. This positive position is important considering the County's significant planned capital investments required in future years, including replacing and expanding infrastructure assets and required water and wastewater improvements.
- Levy Operating budget ended the year with a \$13.09 million surplus. Significant contributors to the surplus included salaries and benefit positive variances throughout the year, and greater than expected investment income. These surplus contributors are difficult to predict as they are based on future market conditions and staffing levels.
- Water and wastewater budgets achieved a \$1.41 million surplus, which is considered within a reasonable range.
- The County's Rate and Levy Capital Reserves increased, year-over-year. This is positive considering the significant capital needs identified over the next 10 years - the 2024 Capital Plan projected planned expenditures to top the \$1 billion mark for the first time in Norfolk's history within the 10-year forecast period.

**2024 and future:**

- Due to significant capital expenditures on the horizon, the County projects to issue \$367.3 million in debentures over the next 10 years as the County's reserves are not in a position to finance total identified capital needs. Debt servicing will become an increasing challenge.
- Significant Water and Wastewater expansion and replacement needs are projected within the next 20 years, in conjunction with plans to develop strategic investments for growth.
- Though financial improvements have been significant over the last number of years, the current financial statements do not signal the County is yet fully prepared for the financial future at this time, based on the projected needs. Solidifying Norfolk's financial future is still at its beginning stages, and additional financial planning and careful consideration of capital needs scheduling is still required.
- Continued persistence and financial discipline will be required to build the financial reserves required to maintain, repair and replace significant assets that are aging and in need of replacement, while funding the efficient delivery of day-to-day services.
- The County will continue to gain a more accurate picture of needs as the asset management plan is continued to be developed and finalized, which is anticipated to place additional pressure on the level of capital investments required in the future.

Overall, the financial picture for Norfolk is improving, but requires significant discipline and strategic planning to continue the trend. With historic capital investments on the horizon, and continued pressures on service delivery, Council and staff will need to stay committed and focussed, with an eye on affordability, core services and service levels, and long-term requirements.



# A Message From the General Manager, Corporate Services and the Treasurer

We are pleased to present the audited 2023 Consolidated Financial Statements and Annual Financial Report. These statements have been prepared by Norfolk County staff in accordance with the Public Sector Accounting Standards as required by the Chartered Professional Accountants (CPA) of Canada and the Municipal Act, 2001. The financial statements have been audited by the County's appointed auditor, Millards Chartered Professional Accountants, who have concluded that the statements present fairly the financial position of Norfolk County in all material respects.

The annual presentation of audited statements represents a key mechanism for the County to demonstrate accountability and transparency to its residents. The continued commitment to financial improvement is also demonstrated by Norfolk's strategic plan priorities of serving and sustaining Norfolk, which include ensuring that the County is a fiscally responsible organization that will remain financially sustainable into the future. The results for 2023 continue previous years' trends of improvements in net financial assets, reserve and reserve fund balances, and annual operating surpluses.

Challenges and Highlights from 2023 Include:

1. In the fall of 2023 the Financial Management and Planning team brought forward our Reserve & Reserve Fund Policy, CS-23. This policy sets out responsibilities, reporting requirements, targets, funding sources, and the purpose of each reserve and reserve fund. Part of this project also involved consolidating reserves and laid the ground work to improve reporting and to prepare for the financial strategy of Norfolk's Asset Management Plan.
2. Throughout 2023 and into 2024 there were additional changes to the Development Charges Act which altered what fees could be charged, which items were eligible for Development Charge (DC) collection and the timing of fee changes. Staff worked to understand changes as they occurred and adjust budgets and reporting as required.
3. In 2023 Council passed phase one of Norfolk's Asset Management Plan and immediately began work on the next phase to continue building Norfolk's asset inventory. This represents a key step in Norfolk's financial sustainability journey as it will lay the foundation to begin calculating our funding gap and strategizing for how to meet Norfolk's asset replacement needs.

In order to meet upcoming challenges and continue to improve our financial services Norfolk is committed to:

1. The completion of the Asset Management Plan financial strategy by the legislated timeline of July 2025. The financial strategy will lay out Norfolk's plan for reserve contributions and funding solutions for Norfolk's asset needs over the long term. This will also tie the Asset Management Plan into the County's budget process to ensure that asset replacements are budgeted at an appropriate time and dollar amount.
2. Later this year the Finance team intends to be back before Council with recommendations on an investment strategy going forward that will aim to maximize every available investment dollar and to take full advantage of the current high interest rate environment.
3. Finally the long term financial sustainability of Norfolk requires an updated and comprehensive budget control policy which will lay out the processes related to staying within budget, what is required when initiatives are going to come over budget, how to communicate this, how items will be funded, suggestions for identifying offsetting savings as well as other key financial processes. This policy will ensure that each circumstance is treated fairly and consistently as well as formalizing the County's current practices for open and transparent financial reporting.

In summary, though progress continues on improving Norfolk's financial outlook, there remains a great deal of work to be done.

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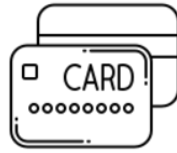
**FINANCIAL ASSETS**

What we own: Cash and assets that can be quickly converted to cash.



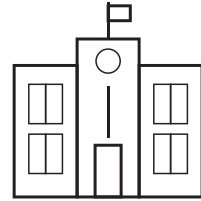
**LIABILITIES**

What we owe: Obligations that require future payments or service.



**NET FINANCIAL ASSETS**

The extent to which financial assets exceed all liabilities. A measure of savings in place to pay for future transactions and events.



**NON-FINANCIAL ASSETS**

Physical assets (TCA) that are owned and used to deliver future programs and services



**ACCUMULATED SURPLUS**

Indicator of the County's overall financial health



## Budget Figures vs. Financial Statements

The budget reported in the consolidated financial statements differs from those approved by Council in the budget process undertaken each year.

Adjustments are needed to convert the budget, prepared on a modified accrual basis, to a full accrual basis as required for financial statement purposes.

These adjustments include the following items:

- Amortization, loss on disposal, landfill liability, unfunded post-employment benefits, and non-vested sick leave are included in the financial statements but not in the operating budgets.
- Debt principal payments are recognized as reductions to long-term debt in the financial statements. These are considered expenses in the operating budgets.
- Transfers to and from reserves are included in the both the capital and operating budgets but are not included in financial statements.
- Non-capitalized capital project costs are recorded as expenses in the financial statements, whereas all capital project outlays are included in the capital budget.



Audited Financial  
**STATEMENTS**

**The Corporation of Norfolk County**

Consolidated Financial Statements

**December 31, 2023**





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**The Corporation of Norfolk County**  
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**December 31, 2023**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING


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

The integrity and reliability of The Corporation of 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.

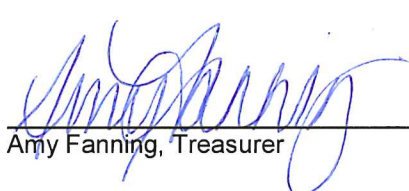
The Chief Administrative Officer is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements before they are submitted to Council.

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.



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Al Meneses, Chief Administrative Officer



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Amy Fanning, Treasurer

July 9, 2024  
Simcoe, Ontario

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## INDEPENDENT AUDITOR'S REPORT

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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, 2023, the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Corporation in accordance with 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.

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

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

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

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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 9, 2024  
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, 2023**

	2023	2022 <i>(Restated)</i>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 13,044,377	\$ 15,864,184
Investments <i>(Note 4)</i>	267,905,019	225,966,990
Taxes receivable	12,154,776	10,384,088
Accounts receivable	9,686,488	9,351,618
Other financial assets	76,581	86,523
	<b>302,867,241</b>	261,653,403
<b>LIABILITIES</b>		
Accounts payable	53,893,140	47,935,305
Employee benefits liability <i>(Note 5)</i>	11,369,782	11,761,343
Deferred revenue <i>(Note 6)</i>	39,183,986	37,037,548
Asset retirement obligations <i>(Note 7)</i>	20,488,864	22,321,935
Long-term liabilities <i>(Note 8)</i>	85,046,790	85,071,848
	<b>209,982,562</b>	204,127,979
<b>NET FINANCIAL ASSETS</b>	<b>92,884,679</b>	57,525,424
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Note 9)</i>	664,637,580	639,607,804
Prepaid expenses	1,712,497	1,492,697
Inventory	580,569	577,723
	<b>666,930,646</b>	641,678,224
<b>ACCUMULATED SURPLUS</b>	<b>\$759,815,325</b>	\$699,203,648
<b>ACCUMULATED SURPLUS IS COMPRISED OF:</b>		
Accumulated operating surplus <i>(Note 10)</i>	\$752,442,123	\$695,944,506
Accumulated remeasurement gains	7,373,202	3,259,142
	<b>\$759,815,325</b>	\$699,203,648

The accompanying notes are an integral part of the financial statements

**The Corporation of Norfolk County**  
**Consolidated Statement of Operations and Accumulated Surplus**  
**Year ended December 31, 2023**

	Budget 2023 <i>(Note 19)</i>	2023	2022 <i>(Restated)</i>
<b>REVENUE</b>			
Taxation <i>(Note 11)</i>	\$ 121,082,400	\$ 122,545,816	\$ 113,043,256
Government transfers - Federal <i>(Note 12)</i>	4,709,600	4,495,964	20,179,718
Government transfers - Provincial <i>(Note 13)</i>	77,449,500	79,324,692	73,248,939
Recoveries from other municipalities	3,481,800	3,151,602	2,785,735
User charges	37,671,400	37,712,183	35,222,025
Other income <i>(Note 14)</i>	10,070,200	24,414,088	19,834,498
	<b>254,464,900</b>	<b>271,644,345</b>	264,314,171
<b>Expenses</b>			
General government	26,352,152	24,849,798	23,539,818
Protection services	20,486,823	19,256,019	19,956,144
Transportation services	40,782,806	37,718,038	37,045,305
Environmental services	32,614,509	29,209,832	28,482,919
Health services	22,895,272	21,548,339	23,066,393
Social and family services	56,665,400	54,861,227	46,887,620
Social housing	7,951,100	7,800,520	17,799,460
Recreation and cultural services	16,874,844	16,127,579	14,753,545
Planning and development	4,769,676	3,775,376	3,629,911
	<b>229,392,582</b>	<b>215,146,728</b>	215,161,115
<b>ANNUAL SURPLUS</b>	<b>25,072,318</b>	<b>56,497,617</b>	49,153,056
<b>Accumulated surplus - beginning of year</b>			
As previously reported	695,944,506	695,944,506	626,834,216
PSAS adjustments <i>(Note 3)</i>	-	-	19,957,234
As restated	<b>695,944,506</b>	<b>695,944,506</b>	646,791,450
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 721,016,824</b>	<b>\$ 752,442,123</b>	\$ 695,944,506

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, 2023**

	2023	2022
<b>Accumulated remeasurement gains - beginning of year</b>	<b>\$ 3,259,142</b>	<b>\$ 11,079,505</b>
Unrealized gains (losses) attributed to:		
Investments	<b>5,073,403</b>	(7,621,627)
Amounts reclassified to the Consolidated Statement of Operations:		
Investments	<b>(959,343)</b>	(198,736)
<b>Net remeasurement gains (losses) for the year</b>	<b>4,114,060</b>	<b>(7,820,363)</b>
<b>ACCUMULATED REMEASUREMENT GAINS - END OF YEAR</b>	<b>\$ 7,373,202</b>	<b>\$ 3,259,142</b>

The accompanying notes are an integral part of the financial statements

**The Corporation of Norfolk County**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year ended December 31, 2023**

	Budget 2023 <i>(Note 19)</i>	2023	2022 <i>(Restated)</i>
<b>ANNUAL SURPLUS</b>	<b>\$ 25,072,318</b>	<b>\$ 56,497,617</b>	<b>\$ 49,153,056</b>
Amortization of tangible capital assets	31,009,182	31,009,182	29,773,114
Purchase of tangible capital assets	(59,985,000)	(56,110,440)	(49,852,601)
Proceeds on disposal of tangible capital assets	-	177,062	2,038,247
Gain on disposal of assets	-	(105,580)	(1,369,482)
Increase in prepaid expenses	-	(219,800)	(5,908)
Decrease (increase) in inventory	-	(2,846)	509,964
Net remeasurement gains (losses) for the year	-	4,114,060	(7,820,363)
	<b>(28,975,818)</b>	<b>(21,138,362)</b>	<b>(26,727,029)</b>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>(3,903,500)</b>	<b>35,359,255</b>	<b>22,426,027</b>
Net financial assets - beginning of year			
As previously reported	57,525,424	57,525,424	37,648,162
PSAS adjustments <i>(Note 3)</i>	-	-	(2,548,765)
As restated	57,525,424	57,525,424	35,099,397
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<b>\$ 53,621,924</b>	<b>\$ 92,884,679</b>	<b>\$ 57,525,424</b>

The accompanying notes are an integral part of the financial statements



**The Corporation of Norfolk County**  
**Consolidated Statement of Cash Flows**  
**Year ended December 31, 2023**

	2023	2022 <i>(Restated)</i>
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 56,497,617	\$ 49,153,056
Items not affecting cash:		
Amortization of tangible capital assets	31,009,182	29,773,114
Gain on disposal of asset	(105,580)	(1,369,482)
Net remeasurement gains (losses) for the year	4,114,060	(7,820,363)
	<b>91,515,279</b>	<b>69,736,325</b>
Changes in non-cash working capital:		
Taxes receivable	(1,770,688)	203,139
Accounts receivable	(334,870)	1,225,056
Other financial assets	9,942	(17,609)
Accounts payable	5,957,835	7,942,241
Employee benefits liability	(391,561)	(409,255)
Deferred revenue	2,146,438	979,286
Asset retirement obligations	(1,833,071)	(1,786,083)
Prepaid expenses	(219,800)	(5,908)
Inventory	(2,846)	509,964
	<b>3,561,379</b>	<b>8,640,831</b>
Cash flow from operating activities	<b>95,076,658</b>	<b>78,377,156</b>
<b>INVESTING ACTIVITIES</b>		
Change in investments	(41,938,029)	(44,002,570)
Cash flow used by investing activities	<b>(41,938,029)</b>	<b>(44,002,570)</b>
<b>FINANCING ACTIVITIES</b>		
Long-term debt issued	7,400,280	16,439,500
Repayment of long-term debt	(7,425,338)	(6,516,632)
Cash flow from (used by) financing activities	<b>(25,058)</b>	<b>9,922,868</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(56,110,440)	(49,852,601)
Proceeds from sale of tangible capital assets	177,062	2,038,247
Cash flow used by capital activities	<b>(55,933,378)</b>	<b>(47,814,354)</b>
<b>DECREASE IN CASH</b>	<b>(2,819,807)</b>	<b>(3,516,900)</b>
Cash - beginning of year	15,864,184	19,381,084
<b>CASH - END OF YEAR</b>	<b>\$ 13,044,377</b>	<b>\$ 15,864,184</b>

The accompanying notes are an integral part of the financial statements

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# The Corporation of Norfolk County

## Notes to Consolidated Financial Statements

Year ended December 31, 2023

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### 1. INCORPORATION

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

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

#### **Reporting entity**

##### *(i) Consolidated entities*

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

*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, the County has been given administrative responsibility for the following joint local boards:

*Joint Health and Social Services Advisory Committee*

Amounts paid to the 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.

*(continues)*

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# The Corporation of Norfolk County

## Notes to Consolidated Financial Statements

Year ended December 31, 2023

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

#### *(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 \$18,860,735 (2022 - \$18,615,311).

#### *(iv) Trust funds*

Trust funds and their related operations administered by the County amounting to \$1,951,567 (2022 - \$1,879,507) are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Balance Sheet".

#### *(v) Provincial offences fines*

The County administers the Provincial Offences Act (POA) on behalf of the Ministry of the Attorney General for the 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 \$8,043,067 (2022 - \$7,282,984) 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 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.

### **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.

*(continues)*

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**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

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

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. Taxes receivable are recognized net of allowance for uncollectible amounts, which was estimated to be \$2,100,000 (2022 - \$2,100,000) at year end.

*(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."

*(continues)*

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**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

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**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. Assumed subdivisions are recorded at cost upon transfer to the County, less amortization to the date of the asset assumption, with a corresponding amount recorded in other income as developer contributed assets. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded in other income. 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, pooled investment funds, principal protected notes and short-term instruments of various financial institutions. Government bonds and principal protected notes are recorded at amortized cost. Pooled investment funds and short-term instruments are held in portfolios and are quoted in an active market and are level 1 investments in the fair value hierarchy. There has been no significant transfers between level 1 and level 2 of the fair value hierarchy. These level 1 investments 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 pooled 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 County receives funds for specific purposes, which are externally restricted by legislation, regulation or agreement. These restricted funds are not available for general municipal purposes and are recognized as revenue in the fiscal year the funds are used for the specified purpose.

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**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

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

**Asset retirement obligations**

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

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

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

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

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

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

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

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**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

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

**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.

**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, accounts payable, employee benefits liability and asset retirements obligations. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the year which they become known.

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

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$20,488,864 (2022 - \$22,321,935). These estimates are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of controlled materials used (e.g. asbestos included in inaccessible construction material), indeterminate settlement dates and the allocation of costs between required and discretionary activities.

**3. CHANGE IN ACCOUNTING POLICY - ADOPTION OF NEW ACCOUNTING STANDARDS**

PS 3280 Asset Retirement Obligations (ARO) establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for an ARO can apply to tangible capital assets either in productive use or no longer in productive use. This standard was adopted on January 1, 2022 on a modified retroactive basis with prior period restatement.

In previous years, the County has reported its obligations related to the retirement of tangible capital assets in the period when the asset was retired directly as an expense. The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded, and replaces Section PS 3270, Solid Waste Landfill Closure and Post-Closure Liability. Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or that is based on a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities.

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# The Corporation of Norfolk County

## Notes to Consolidated Financial Statements

Year ended December 31, 2023

### 3. CHANGE IN ACCOUNTING POLICY - ADOPTION OF NEW ACCOUNTING STANDARDS (continued)

As a result of applying this accounting standard, an ARO of \$20,488,864 (2022 – \$22,321,935) was recognized as a liability in the Consolidated Statement of Financial Position. These obligations represent estimated retirement costs for the County owned buildings and landfills. The County has restated the prior period based on a simplified approach, using the ARO liabilities, ARO tangible capital assets and the associated ARO accumulated amortization and amortization expense for the period January 1, 2023 to December 31, 2023 as a proxy for the January 1, 2022 to December 31, 2022 information. The adoption of PS 3280 ARO was applied to the comparative period as follows:

	As previously reported	Adjustments	2022 As restated
<u>Consolidated Statement of Financial Position</u>			
Solid waste landfill closure and post-closure liability	\$ (21,959,544)	\$ 21,959,544	\$ -
Asset retirement obligations	-	(22,321,935)	<b>(22,321,935)</b>
Tangible capital assets including ARO	617,401,081	22,206,723	<b>639,607,804</b>
Accumulated surplus	677,359,316	21,844,332	<b>699,203,648</b>
<u>Consolidated Statement of Operations and Accumulated Surplus</u>			
Protection services	19,955,544	600	<b>19,956,144</b>
Transportation services	37,037,305	8,000	<b>37,045,305</b>
Environmental services	30,397,127	(1,914,208)	<b>28,482,919</b>
Health services	23,065,193	1,200	<b>23,066,393</b>
Recreation and cultural services	14,736,235	17,310	<b>14,753,545</b>
Annual surplus	47,265,958	1,887,098	<b>49,153,056</b>
Accumulated surplus - beginning of year	626,834,216	19,957,234	<b>646,791,450</b>
Accumulated surplus - end of year	674,100,174	21,844,332	<b>695,944,506</b>
<u>Consolidated Statement of Changes in Net Financial Assets</u>			
Annual surplus	47,265,958	1,887,098	<b>49,153,056</b>
Amortization of tangible capital assets	29,473,838	299,276	<b>29,773,114</b>
Net financial assets - beginning of year	37,648,162	(2,548,765)	<b>35,099,397</b>
Net financial assets - end of year	57,887,815	(362,391)	<b>57,525,424</b>
<u>Consolidated Statement of Cash Flows</u>			
Annual surplus	47,265,958	1,887,098	<b>49,153,056</b>
Amortization of tangible capital assets	29,473,838	299,276	<b>29,773,114</b>
Solid waste landfill closure and post-closure liability	400,291	(400,291)	-
Asset retirement obligations	-	(1,786,083)	<b>(1,786,083)</b>



**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

**4. INVESTMENTS**

	<u>2023</u>		<u>2022</u>	
	Market value	Carrying value	Market value	Carrying value
Government bonds and notes	\$ 27,752,737	<b>\$ 28,057,898</b>	\$ 21,936,953	\$ 22,561,060
GICs and short-term savings	146,353,002	<b>146,353,002</b>	121,214,578	121,214,578
ONE Fund Investments	89,656	<b>89,656</b>	85,180	85,180
ONE Fund Investments - Legacy	78,862,199	<b>78,862,199</b>	72,589,547	72,589,547
Principal protected notes	14,312,454	<b>14,542,264</b>	8,923,165	9,516,625
	<b>\$267,370,048</b>	<b>\$267,905,019</b>	<b>\$224,749,423</b>	<b>\$225,966,990</b>

Maturity dates on the investments in the portfolio range from 2024 to 2029 and interest rates range from 1.75% to 6.69%.

**5. EMPLOYEE BENEFITS LIABILITY**

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

	<u>2023</u>	<u>2022</u>
Vested and non-vested sick leave	<b>\$ 2,036,970</b>	\$ 2,074,455
Post-employment and post-retirement benefits	<b>4,714,992</b>	5,153,662
Workers' compensation	<b>4,617,820</b>	4,533,226
	<b>\$ 11,369,782</b>	\$ 11,761,343

The County is also liable for post-employment and post-retirement payments as at December 31, 2023 of \$1,613,471 (2022 - \$1,577,345), which are recorded in accounts payable.

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

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 County's employment. The amount paid to employees who left the County's employment during the year amounted to \$156,941 (2022 - \$172,724).

A comprehensive actuarial evaluation for the vested and non-vested sick leave benefits liability was conducted as at December 31, 2020. The report included projections for the years 2021 to 2023.

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**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

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**5. EMPLOYEE BENEFITS LIABILITY (continued)**

*b) Liability for post-employment and post-retirement benefits*

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

A comprehensive actuarial evaluation for the employee benefits liability was conducted as at December 31, 2020. The report included projections for the years 2021 to 2023.

Significant assumptions used in the actuarial evaluation are:

Discount rate	3.25%
Inflation rate	1.75%
Dental rate	3.75%
Future health cost rate:	
Escalate at 5.4167% for 2022 vs. 2021, reducing by 0.3333% per year to 3.75% in 2027 vs. 2026 and 3.75% per year thereafter.	

*c) Liability for workers' compensation*

The 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, 2020. The report includes projections for the years 2021 to 2023.

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

Discount rate	2.75%
Inflation rate	1.75%
Future cost of loss of earnings benefit	2.50%
Future cost of health benefits	3.75%
Future cost of full indexed survivor benefits	1.75%
Future cost of non-economic loss benefits	1.75%

The allowance for future mortality improvements is set as a 1.75% negative adjustment to the above net future cost benefit rates.

The County has established a reserve fund for WSIB costs, which has a balance of \$2,811,752 (2022 - \$3,068,636).

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 \$337,283 (2022 - \$358,477), which is to be shared with Norfolk County.

**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

**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 County are as follows:

	Opening balance	Contributions received	Investment income	Revenue recognized	Ending balance
Recreational land	\$ 531,171	\$ 160,785	\$ 29,746	\$ -	\$ 721,702
Building permits	3,431,079	393,077	161,645	(25,850)	3,959,951
Development charges	15,928,368	3,037,452	769,433	(2,720,616)	17,014,637
Provincial OCIF	2,272,180	4,806,583	130,643	(5,900,118)	1,309,288
Provincial gas tax	474,333	-	22,506	(150,200)	346,639
Federal gas tax	9,533,130	4,238,954	401,375	(4,103,034)	10,070,425
Other	4,867,287	5,754,534	6,810	(4,867,287)	5,761,344
	\$ 37,037,548	\$ 18,391,385	\$ 1,522,158	\$ (17,767,105)	\$ 39,183,986

**7. ASSET RETIREMENT OBLIGATIONS**

The County has recorded asset retirement obligations (ARO) as of the January 1, 2022 implementation date on a modified retroactive basis, with a simplified restatement of prior year amounts (Note 3). A reconciliation of the beginning and ending aggregate carrying amount of the ARO liability is below:

	2023	2022
ARO at beginning of year - as previously reported	\$ 22,321,935	\$ -
Opening adjustments for PS3280 ARO	-	24,108,019
Increase in ARO reflecting accretion	74,326	48,002
ARO settled during the year	(1,907,397)	(1,834,086)
ARO at end of year	\$ 20,488,864	\$ 22,321,935
The ARO liability consists of:		
Landfill sites	\$ 18,695,864	\$ 20,528,935
Asbestos	1,793,000	1,793,000
	\$ 20,488,864	\$ 22,321,935

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**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

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**7. ASSET RETIREMENT OBLIGATIONS (continued)**

**Landfill sites**

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

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

The costs of closing and maintaining the landfill sites are shared by both Norfolk County and Haldimand County. It is estimated that Norfolk County's share of the total costs to close and maintain the sites are approximately \$18,695,864. 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 86 years for Tom Howe landfill site and 62 years for Canborough landfill site.

Key assumptions in determining the liability at December 31, 2023, for the sites are as follows:

Inflation rate	2.0%
Discount rate	4.0%
Estimated time for post-closure site rehabilitation and monitoring	
- Tom Howe landfill site	95 years
- Canborough landfill site	77 years

**Asbestos**

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

**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

**8. LONG-TERM LIABILITIES**

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

	<b>2023</b>	<b>2022</b>
CDS debenture bearing interest at 5.79% per annum, repayable in semi-annual blended payments of \$893,445. The debenture matures on January 2025.	<b>\$ 2,532,222</b>	\$ 4,103,778
CDS debenture bearing interest at 0.50%-1.55% per annum, repayable in semi-annual payments ranging from \$549,500 - \$644,000 plus interest. The debenture matures on October 2030.	<b>8,198,000</b>	9,466,000
OILC debenture matured during the year.	-	541,166
OILC debenture bearing interest at 2.12% per annum, repayable in semi-annual blended payments of \$147,962. The debenture matures on September 2025.	<b>576,491</b>	855,747
OILC debenture bearing interest at 2.93% per annum, repayable in semi-annual blended payments of \$347,418. The debenture matures on September 2035.	<b>6,987,286</b>	7,466,830
OILC debenture bearing interest at 3.43% per annum, repayable in semi-annual blended payments of \$625,771. The debenture matures on March 2037.	<b>13,433,570</b>	14,204,452
OILC debenture bearing interest at 2.82% per annum, repayable in semi-annual blended payments of \$786,268. The debenture matures on December 2039.	<b>20,137,739</b>	21,121,535
OILC debenture bearing interest at 2.53% per annum, repayable in semi-annual blended payments of \$182,757. The debenture matures on December 2029.	<b>2,022,920</b>	2,331,389
OILC debenture bearing interest at 1.94% per annum, repayable in semi-annual blended payments of \$282,232. The debenture matures on October 2040.	<b>8,140,757</b>	8,541,451
OILC debenture bearing interest at 4.36% per annum, repayable in semi-annual payments of \$410,988 plus interest. The debenture matures on December 2042.	<b>15,617,525</b>	16,439,500
OILC debenture bearing interest at 4.95% per annum, repayable in semi-annual payments of \$185,007 plus interest. The debenture matures on December 2043.	<b>7,400,280</b>	-
	<b>\$85,046,790</b>	<b>\$85,071,848</b>

*(continues)*

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**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

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**8. LONG-TERM LIABILITIES (continued)**

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

2024	\$ 7,446,938
2025	6,754,286
2026	5,495,182
2027	5,599,292
2028	5,708,119
Thereafter	<u>54,042,973</u>
	<u>\$ 85,046,790</u>

The above long-term liabilities are unsecured.

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

**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

**9. TANGIBLE CAPITAL ASSETS**

	Land	Land improvements	Buildings and structures	Infrastructure	Vehicles, machinery and equipment	Assets under construction	2023
Cost, beginning of year	\$13,699,059	\$ 54,685,101	\$177,517,630	\$739,895,134	\$ 69,052,677	\$61,770,879	<b>\$1,116,620,480</b>
Additions	581,006	173,035	2,144,695	24,043,645	5,804,640	56,110,440	<b>88,857,461</b>
Disposals	-	-	(61,903)	(211,987)	(1,594,911)	-	<b>(1,868,801)</b>
Transfer to capital assets	-	-	-	-	-	(32,747,021)	<b>(32,747,021)</b>
<b>Cost, end of year</b>	<b>14,280,065</b>	<b>54,858,136</b>	<b>179,600,422</b>	<b>763,726,792</b>	<b>73,262,406</b>	<b>85,134,298</b>	<b>1,170,862,119</b>
Accumulated amortization,							
beginning of year	-	17,208,425	89,831,413	321,673,544	48,299,294	-	<b>477,012,676</b>
Amortization	-	883,898	5,980,713	18,799,181	5,345,390	-	<b>31,009,182</b>
Disposals	-	-	(74,623)	(147,429)	(1,575,267)	-	<b>(1,797,319)</b>
<b>Accumulated amortization, end of year</b>	<b>-</b>	<b>18,092,323</b>	<b>95,737,503</b>	<b>340,325,296</b>	<b>52,069,417</b>	<b>-</b>	<b>506,224,539</b>
Net carrying amount, end of year	\$14,280,065	\$ 36,765,813	\$ 83,862,919	\$423,401,496	\$ 21,192,989	\$85,134,298	<b>\$ 664,637,580</b>

(continues)

**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

**9. TANGIBLE CAPITAL ASSETS (continued)**

	Land	Land improvements	Buildings and structures	Infrastructure	Vehicles, machinery and equipment	Assets under construction	2022
Cost, beginning of year	\$13,731,937	\$ 31,767,227	\$173,087,532	\$703,204,509	\$ 65,350,769	\$59,492,657	\$ 1,046,634,631
Adjustments for PS3280	-	22,315,019	1,793,000	-	-	-	24,108,019
As restated	13,731,937	54,082,246	174,880,532	703,204,509	65,350,769	59,492,657	1,070,742,650
Additions	11,622	602,855	3,258,724	37,641,595	6,059,583	49,852,601	97,426,980
Disposals	(44,500)	-	(621,626)	(950,970)	(2,357,675)	-	(3,974,771)
Transfer to capital assets	-	-	-	-	-	(47,574,379)	(47,574,379)
Cost, end of year	13,699,059	54,685,101	177,517,630	739,895,134	69,052,677	61,770,879	1,116,620,480
Accumulated amortization, beginning of year	-	16,361,474	82,776,028	304,372,453	45,433,593	-	448,943,548
Adjustments for PS3280	-	-	1,602,020	-	-	-	1,602,020
As restated	-	16,361,474	84,378,048	304,372,453	45,433,593	-	450,545,568
Amortization	-	846,951	5,882,773	17,844,670	5,198,720	-	29,773,114
Disposals	-	-	(429,408)	(543,579)	(2,333,019)	-	(3,306,006)
Accumulated amortization, end of year	-	17,208,425	89,831,413	321,673,544	48,299,294	-	477,012,676
Net carrying amount, end of year	\$13,699,059	\$ 37,476,676	\$ 87,686,217	\$418,221,590	\$ 20,753,383	\$61,770,879	\$ 639,607,804



**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

**10. ACCUMULATED OPERATING SURPLUS**

The County segregates its accumulated surplus into the following categories:

	2023	2022
Investment in tangible capital assets	\$ 664,637,580	\$ 639,607,804
Long-term liabilities	(85,046,790)	(85,071,848)
Unfinanced capital	(19,097,565)	(17,992,223)
<b>Net investment in tangible capital assets</b>	<b>560,493,225</b>	<b>536,543,733</b>
Operating surplus	13,091,250	8,432,652
Water surplus	745,311	578,489
Wastewater surplus	668,735	339,007
	<b>14,505,296</b>	<b>9,350,148</b>
Business improvement areas		
Delhi BIA surplus	55,158	37,234
Simcoe BIA surplus	260,287	222,261
	<b>315,445</b>	<b>259,495</b>
Reserves		
Capital replacement - wastewater	18,586,650	16,903,065
Capital replacement - water	22,839,887	19,511,007
Waste management	-	932,393
WSIB	2,811,752	3,068,636
Contingencies	23,928,348	18,516,234
Council initiative	943,124	1,337,053
Capital purposes	44,882,987	35,186,709
Incremental capital	2,632,344	-
Other	17,795,415	14,948,563
	<b>134,420,507</b>	<b>110,403,660</b>
Reserve funds		
Legacy Fund	67,488,997	66,330,405
Social Housing	614,599	586,759
	<b>68,103,596</b>	<b>66,917,164</b>
Unfunded liabilities		
Asset retirement obligations	(20,488,864)	(22,321,935)
Post employment benefits liability	(3,064,745)	(3,349,880)
Non-vested sick leave liability	(1,842,337)	(1,857,879)
	<b>(25,395,946)</b>	<b>(27,529,694)</b>
	<b>\$ 752,442,123</b>	<b>\$ 695,944,506</b>

**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

**11. TAXATION REVENUE**

	Budget (Note 19)	2023	2022
Property tax levy	\$ 119,355,900	\$ 119,249,342	\$ 110,390,664
Supplemental taxes	1,800,000	2,195,104	2,180,322
Payments in lieu of taxes	1,302,500	1,498,586	1,460,313
Other	422,800	676,361	684,584
Property tax write-offs	(1,798,800)	(1,073,577)	(1,672,627)
	<b>\$ 121,082,400</b>	<b>\$ 122,545,816</b>	<b>\$ 113,043,256</b>

**12. GOVERNMENT TRANSFERS - FEDERAL**

	Budget (Note 19)	2023	2022
Operating			
Conditional	\$ 981,600	\$ 711,621	\$ 11,011,110
Capital			
Infrastructure funding	488,000	82,685	547,926
Federal gas tax revenue	3,240,000	3,701,658	8,620,682
	<b>\$ 4,709,600</b>	<b>\$ 4,495,964</b>	<b>\$ 20,179,718</b>

**13. GOVERNMENT TRANSFERS - PROVINCIAL**

	Budget (Note 19)	2023	2022
Operating			
Ontario Municipal Partnership Fund	\$ 6,054,500	\$ 6,054,500	\$ 6,091,700
Conditional	64,195,300	63,439,320	58,450,057
Capital			
Infrastructure funding	7,199,700	9,830,872	8,610,222
Provincial gas tax revenue	-	-	96,960
	<b>\$ 77,449,500</b>	<b>\$ 79,324,692</b>	<b>\$ 73,248,939</b>

**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

**14. OTHER INCOME**

	<b>Budget</b> <i>(Note 19)</i>	<b>2023</b>	<b>2022</b>
Licenses, permits, rents and concessions	\$ 5,052,400	\$ 5,394,316	\$ 5,123,537
Provincial offences and other fines	716,500	877,076	929,711
Penalties and interest on taxes	1,500,000	1,907,447	1,773,062
Investment income	1,071,500	12,695,092	6,353,546
Developer contributions	1,470,000	2,753,655	1,958,343
Developer contributed assets	-	-	2,053,285
Gain on disposal of tangible capital assets	-	105,580	1,369,482
Donations	259,800	680,922	273,532
	<b>\$ 10,070,200</b>	<b>\$ 24,414,088</b>	<b>\$ 19,834,498</b>

**15. 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, 2023, 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.

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**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

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**16. CONTRACTUAL OBLIGATIONS**

*a) Ontario Clean Water Agency*

The County has entered into an agreement with Ontario Clean Water Agency for the operation and maintenance of the County's wastewater treatment facilities and pumping stations. The term of the agreement commenced on October 1, 2021 and expires September 30, 2026 and is subject to two additional terms of up to 2 years for each term at the sole option of the County. The annual cost of this contract for 2023 was \$2,071,602 (2022 - \$2,056,217).

*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*

The 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 2023 was \$12,140,176 (2022 - \$12,860,119).

*d) Office building lease*

The 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 2023 for this contract was \$1,003,432 (2022 - \$1,003,432).

*e) Hospital pledge*

Included in accounts payable is a pledge to Norfolk General Hospital for \$4,000,000 (2022 - \$3,500,000). The total amount pledged to the hospital of \$5,000,000 is being recognized at \$500,000 per year over 10 years and is being funded from the Legacy Fund.

**17. PENSION AGREEMENTS**

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

The amount contributed to OMERS for current service is included as an expenditure on the Consolidated Statement of Operations. Contributions were made in the 2023 calendar year at rates ranging from 9.0% to 14.6% (2022 - 9.0% to 14.6%). The amount contributed to OMERS for 2023 was \$5,450,412 (2022 - \$4,861,974). Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the County does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements. As at December 31, 2023 the OMERS plan is in a deficit of \$4.2 Billion (2022 - \$6.7 Billion), which will be addressed through temporary contribution rate increases, benefit reductions and investment returns.

**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

**18. PUBLIC LIABILITY INSURANCE**

The County has a program of risk identification, evaluation and control to minimize the risk of injury to its employees and to third parties and to minimize the risk of damage to its property and the property of others. It uses a combination of the self-insurance and purchased insurance to protect itself financially against risk that it cannot reasonably control. The County has adequate self-insurance coverage. Purchased insurance coverage is in place for claims in excess of the County's self-insurance coverage to a maximum of \$25,000,000 with the exception of certain environmental liability claims, should such claims arise.

At December 31, 2023, there are outstanding legal and liability claims against the County. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are undeterminable. A provision has been made for those claims not expected to be covered by insurance and is recorded as an expense on the "Consolidated Statement of Operations" and as an accounts payable on the "Consolidated Statement of Financial Position". This provision is an estimate based on the expected outcome of litigation and hence the extent of the provision has not been disclosed as it may be adverse to the outcome of ongoing litigation.

**19. BUDGET FIGURES**

The operating and capital budgets adopted by the County's 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 contributing to the accumulated surplus allowing the County to reserve funds for future obligations. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the "Consolidated Statement of Operations" represents the budget adopted by Council with adjustments as follows:

	<b>2023</b>
Operating and capital budget surplus for the year adopted by Council	\$ -
Add:	
Budgeted transfers to the capital fund for tangible capital asset purchases	<b>2,535,000</b>
Budgeted transfers to reserves and reserve funds	<b>31,482,500</b>
Principal payments on debt	<b>13,495,800</b>
Budgeted use of capital government transfers for tangible capital asset purchases	<b>2,442,300</b>
Budgeted use of deferred revenue for tangible capital asset purchases	<b>9,925,400</b>
Budgeted use of user charges and donations directly related to tangible capital asset purchases	<b>5,000</b>
Less:	
Amortization	<b>(31,009,182)</b>
Budgeted transfers from reserves and reserve funds	<b>(3,804,500)</b>
Budget surplus per "Consolidated Statement of Operations"	<b>\$25,072,318</b>

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**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

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**20. FINANCIAL INSTRUMENTS**

The County is exposed to various risks through its financial instruments and continues to monitor, evaluate and manage these risks. The following analysis provides information about the County's risk exposure and concentration as of December 31, 2023.

**(a) Credit risk**

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

**(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 County is exposed to other price risk through its investment in pooled investments.

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

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**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

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**21. SEGMENTED INFORMATION**

The County is a single-tier municipality that provides a wide range of services to its residents. The major services chosen for segmented disclosure are the 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 include fire, police, conservation authority, protection inspection and control, emergency measures, and the 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**

The environmental services include sanitary sewer systems, storm sewer systems, waterworks systems, waste collection and disposal, recycling and administration.

**Social and family services**

The social and family services include general assistance for Ontario Works, assistance to aged persons for Norview Lodge, and child care.

**Other services**

Other services include 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, 2023**

**21. SEGMENTED INFORMATION (continued)**

	Protection services	Transportation services	Environmental services	Social and family services	Other services	2023
<b>Revenue</b>						
Government transfers	\$ 134,995	\$ 2,997,779	\$ 761,421	\$ 42,876,968	\$ 37,049,493	<b>\$ 83,820,656</b>
User charges	306,104	601,308	28,462,634	4,832,221	3,509,916	<b>37,712,183</b>
Other revenue [1]	3,539,925	1,185,200	6,612,589	912,903	15,315,073	<b>27,565,690</b>
	<b>3,981,024</b>	<b>4,784,287</b>	<b>35,836,644</b>	<b>48,622,092</b>	<b>55,874,482</b>	<b>149,098,529</b>
<b>Expenses</b>						
Salaries, wages and benefits	4,410,759	8,456,216	4,534,037	22,622,396	41,671,026	<b>81,694,434</b>
Materials	664,388	4,817,119	2,376,249	2,439,372	7,661,599	<b>17,958,727</b>
Contracted services	13,025,219	5,485,269	12,484,941	2,049,883	10,114,936	<b>43,160,248</b>
External transfers	9,784	-	-	26,674,665	8,586,460	<b>35,270,909</b>
Financial expenses	20,940	633,188	695,617	104,801	2,033,436	<b>3,487,982</b>
Interest on long-term liabilities	37,006	986,840	1,058,079	218,710	264,611	<b>2,565,246</b>
Amortization	1,087,923	17,339,406	8,060,909	751,400	3,769,544	<b>31,009,182</b>
	<b>19,256,019</b>	<b>37,718,038</b>	<b>29,209,832</b>	<b>54,861,227</b>	<b>74,101,612</b>	<b>215,146,728</b>
<b>Deficiency of revenue over expenses for the year financed by net municipal levy</b>						
	\$ (15,274,995)	\$ (32,933,751)	\$ 6,626,812	\$ (6,239,135)	\$ (18,227,130)	<b>\$ (66,048,199)</b>
<b>Taxation revenue</b>						<b>122,545,816</b>
<b>Annual surplus</b>						<b>\$ 56,497,617</b>

[1] Other revenue - Includes recoveries from other municipalities and other income categories detailed in Note 14.



**The Corporation of Norfolk County**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2023**

**21. SEGMENTED INFORMATION (continued)**

	Protection services	Transportation services	Environmental services	Social and family services	Other services	2022
<b>Revenue</b>						
Government transfers	\$ 146,515	\$ 2,732,995	\$ 826,274	\$ 36,552,237	\$ 53,170,636	\$ 93,428,657
User charges	264,481	662,769	26,812,106	4,592,802	2,889,867	35,222,025
Other revenue [1]	3,545,941	2,889,986	3,043,691	755,485	12,385,130	22,620,233
	3,956,937	6,285,750	30,682,071	41,900,524	68,445,633	151,270,915
<b>Expenses</b>						
Salaries, wages and benefits	4,227,696	8,278,200	4,296,448	20,151,475	38,124,059	75,077,878
Materials	621,266	5,012,142	2,068,169	2,197,305	7,239,696	17,138,578
Contracted services	13,957,629	6,158,832	12,057,792	1,903,339	9,813,925	43,891,517
External transfers	-	-	-	21,444,866	20,588,979	42,033,845
Financial expenses	16,377	586,415	1,142,009	146,004	3,297,728	5,188,533
Interest on long-term liabilities	883	612,122	907,744	306,187	230,714	2,057,650
Amortization	1,132,293	16,397,594	8,010,757	738,444	3,494,026	29,773,114
	19,956,144	37,045,305	28,482,919	46,887,620	82,789,127	215,161,115
<b>Deficiency of revenue over expenses for the year financed by net municipal levy</b>						
	\$ (15,999,207)	\$ (30,759,555)	\$ 2,199,152	\$ (4,987,096)	\$ (14,343,494)	\$(63,890,200)
<b>Taxation revenue</b>						113,043,256
<b>Annual surplus</b>						<u>\$ 49,153,056</u>

[1] Other revenue - Includes recoveries from other municipalities and other income categories detailed in Note 14.

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# The Corporation of Norfolk County

## Library Division - Schedule of Operations

Year ended December 31, 2023

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	2023	2022
<b>REVENUE</b>		
Government transfers	\$ 115,419	\$ 130,590
Fees and service charges	26,973	31,240
Other revenue	438,860	80,392
	<b>581,252</b>	<b>242,222</b>
<b>Expenses</b>		
Salaries, wages and benefits	2,001,570	1,875,016
Materials and supplies	158,839	156,008
Services	266,945	252,142
Interdepartmental charges and interest	200,553	191,168
Amortization	457,127	423,138
	<b>3,085,034</b>	<b>2,897,472</b>
<b>Deficiency of revenue over expenses before undernoted items</b>	<b>(2,503,782)</b>	<b>(2,655,250)</b>
Transfer from reserves	(58,974)	(57,510)
Transfer to reserves	802,370	322,000
Debt principal repayments	116,415	113,678
	<b>859,811</b>	<b>378,168</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR FINANCED BY NET MUNICIPAL LEVY</b>	<b>\$ (3,363,593)</b>	<b>\$ (3,033,418)</b>

The above financial information is included in the *Consolidated Financial Statements* of the County.

**The Corporation of Norfolk County**  
**Museum Division - Schedule of Operations**  
**Year ended December 31, 2023**

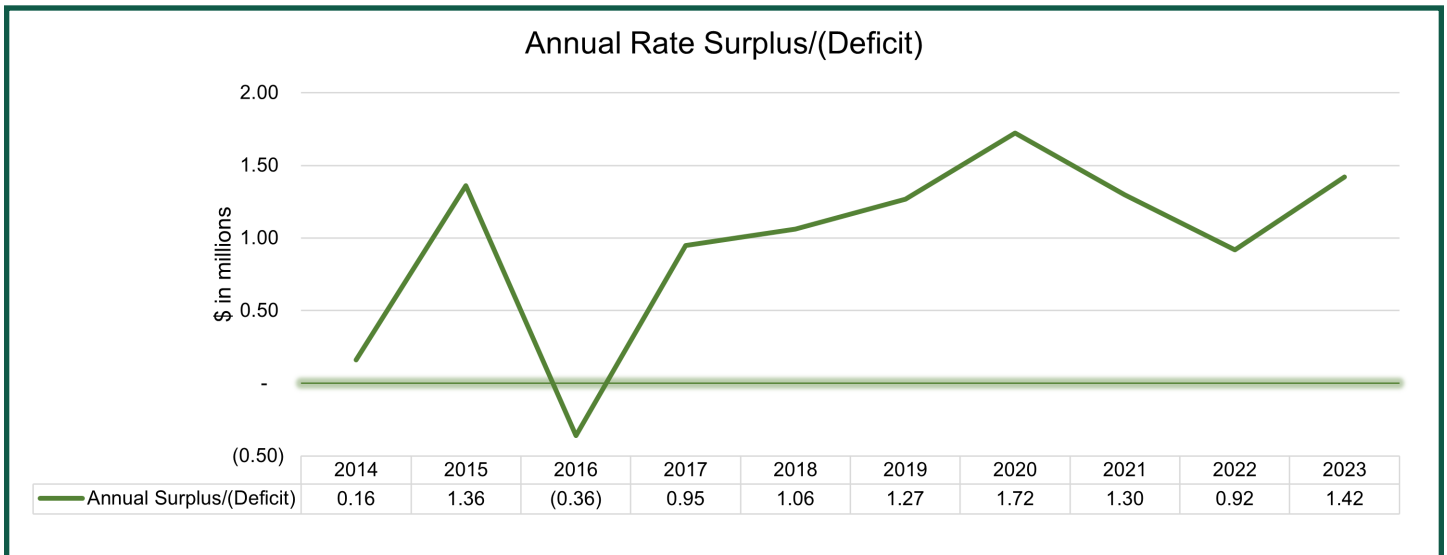
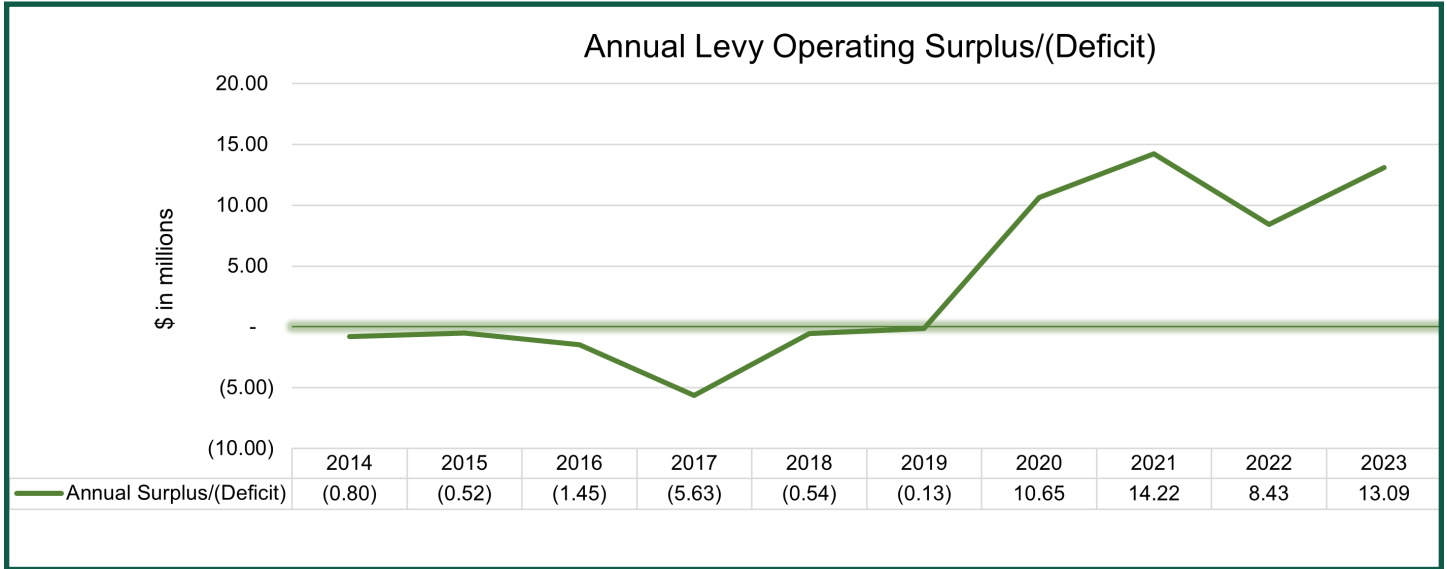
	2023	2022
<b>REVENUE</b>		
Government transfers	\$ 49,694	\$ 49,694
Fees and service charges	107,359	64,720
	<b>157,053</b>	114,414
<b>Expenses</b>		
Salaries, wages and benefits	657,424	540,119
Materials and supplies	131,294	111,483
Services	72,803	54,689
Interdepartmental charges and interest	50,204	49,380
Amortization	125,114	124,910
	<b>1,036,839</b>	880,581
<b>Deficiency of revenue over expenses before undernoted items</b>	<b>(879,786)</b>	<b>(766,167)</b>
Transfer to reserves	19,209	-
Debt principal repayments	36,849	36,849
	<b>56,058</b>	36,849
<b>DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR FINANCED BY NET MUNICIPAL LEVY</b>	<b>\$ (935,844)</b>	<b>\$ (803,016)</b>

The above financial information is included in the *Consolidated Financial Statements* of the County.



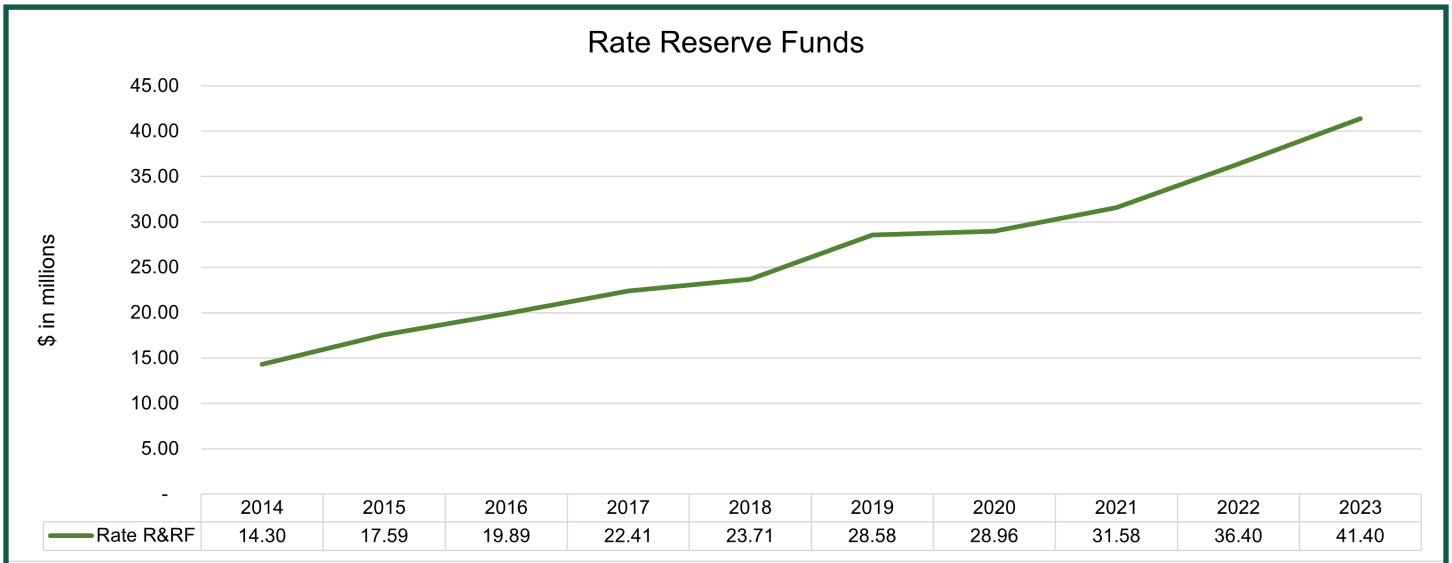
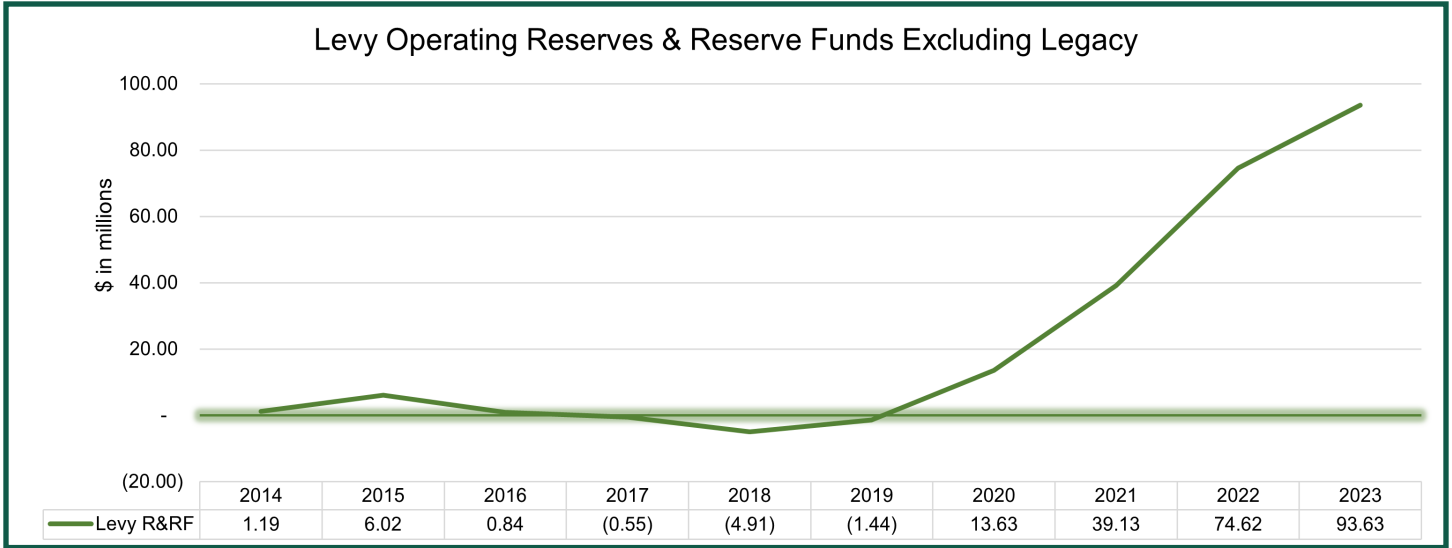
Statistical  
**INFORMATION**

# Levy and Rate Surplus/Deficit



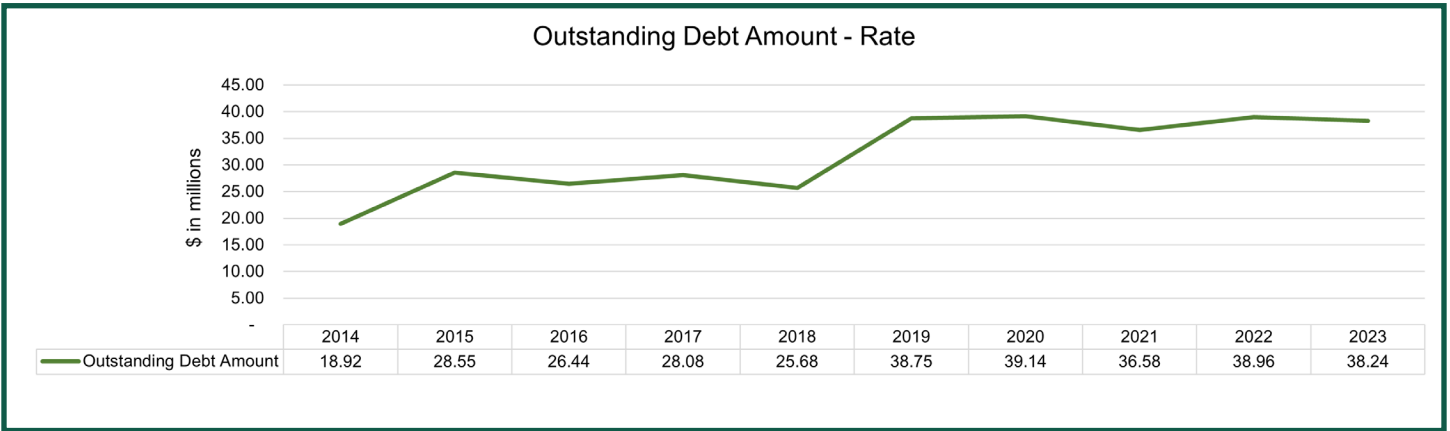
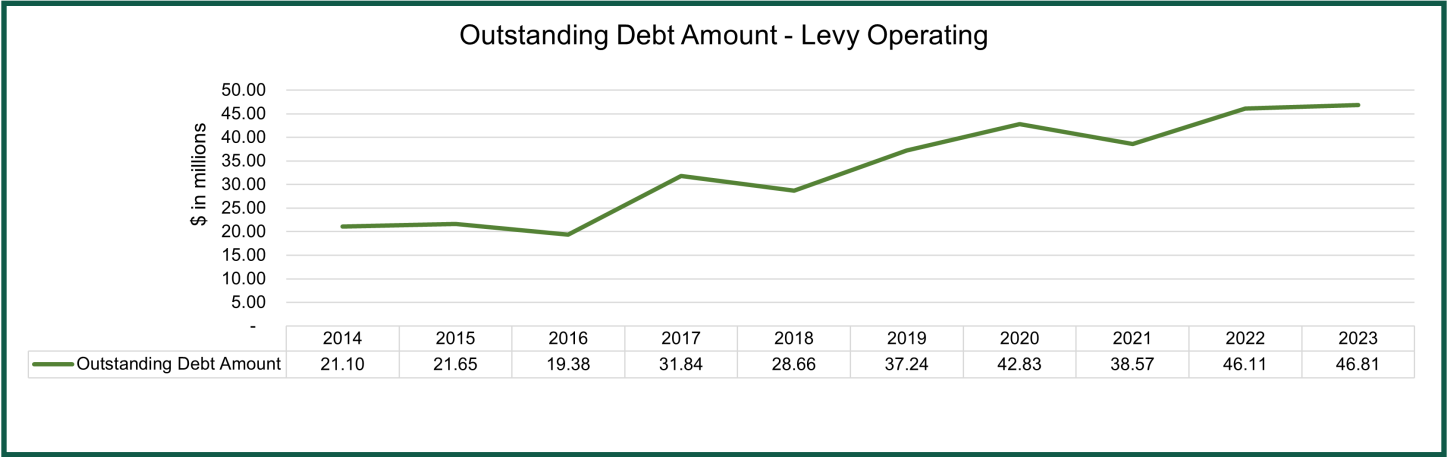
**Levy and Rate Surplus/Deficit:** These charts plot the 10-year trend of the surplus/deficits for the levy and rate. The surplus/deficit are relevant as a measure of annual budget variances and, when taken in aggregate, as a measure of overall health of a municipality. Taken individually, the balance demonstrates if a municipality is over or under budget for that given year. Further, each year the surplus/deficits are contributed to (surplus) or removed from (deficit) the contingency reserve for the levy and the respective capital replacement reserve for rate.

# Levy and Rate Reserves



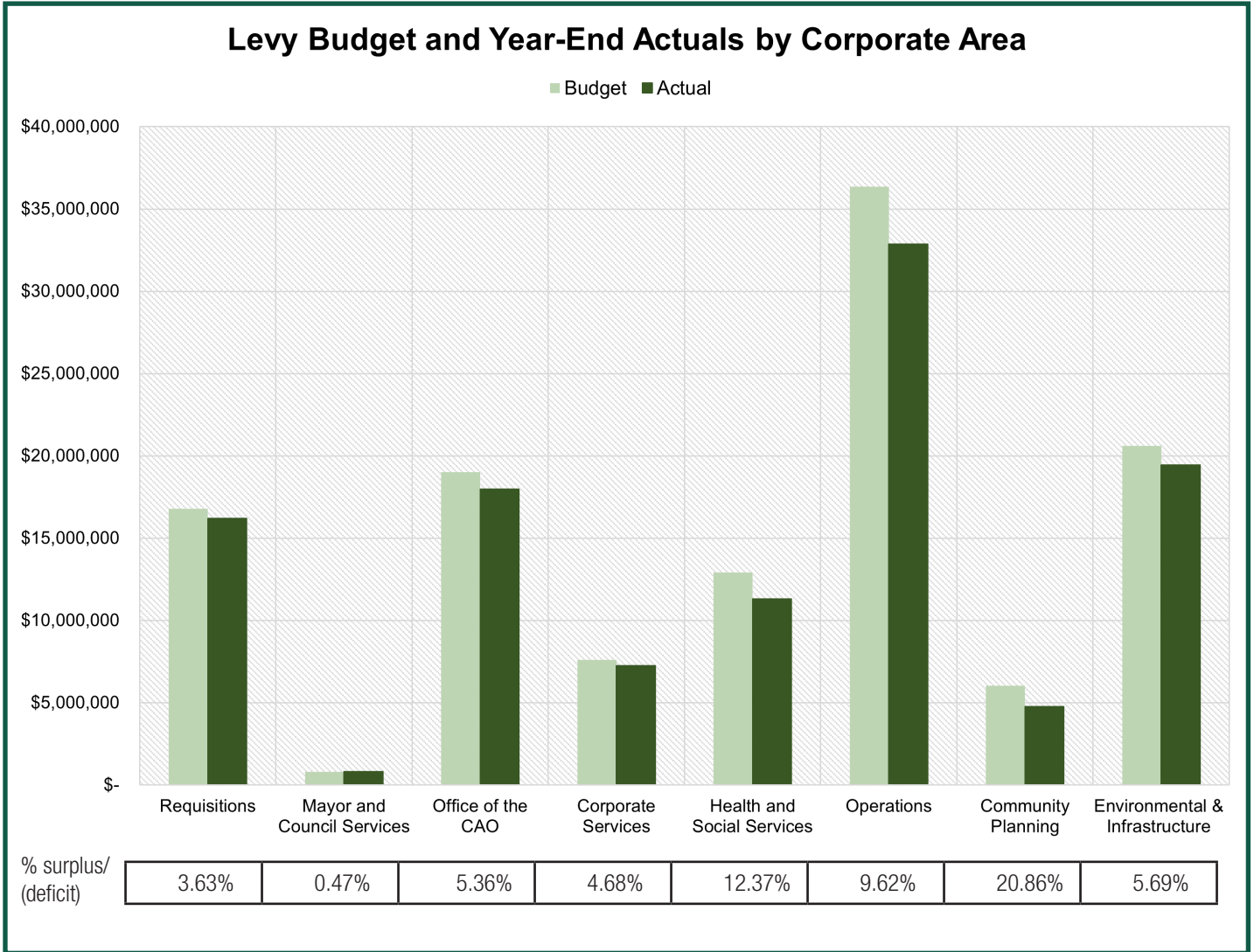
**Operating and Levy Reserves:** These charts plot the 10-year Reserve and Reserve Fund trend for the levy and rate. Reserves are an important tool for the financial sustainability of a municipality. They act as a savings account allowing the County to put aside money today (through contributions) to be withdrawn in the future (by funding projects or incurring deficits).

# Debt Levels



**Debt Levels:** These charts plot the 10-year debt levels for the levy and rate. For municipalities, debt can only be issued for completed capital projects. As a result, debt levels are tied to an increase in, or improvement to tangible capital assets (roads, bridge, vehicles etc.). Debt, as a tool, is often used by municipalities to align the repayment (levy to taxpayer and/or ratepayers) with the benefit period (use of the asset). Said differently, debt allows a group of taxpayers or ratepayers to be levied over the life of the asset rather than having the current rate or levy payers pay for the full cost today. However, debt levels still need to be monitored. Debt levels must stay within the limits imposed by the Ministry of Municipal Affairs and Housing and remain within a range that can be managed by the municipality.

# Levy Surplus/Deficit by Corporate Area



**Levy Surplus/Deficit by Corporate Area:** The chart above displays a comparison of budget and actual figures displayed by operating department. This provides an overall view of how each operating area performed in comparison to budget. A budget to actual comparison demonstrates the quality of estimates and can highlight areas of concern in tracking and recording expenses.