

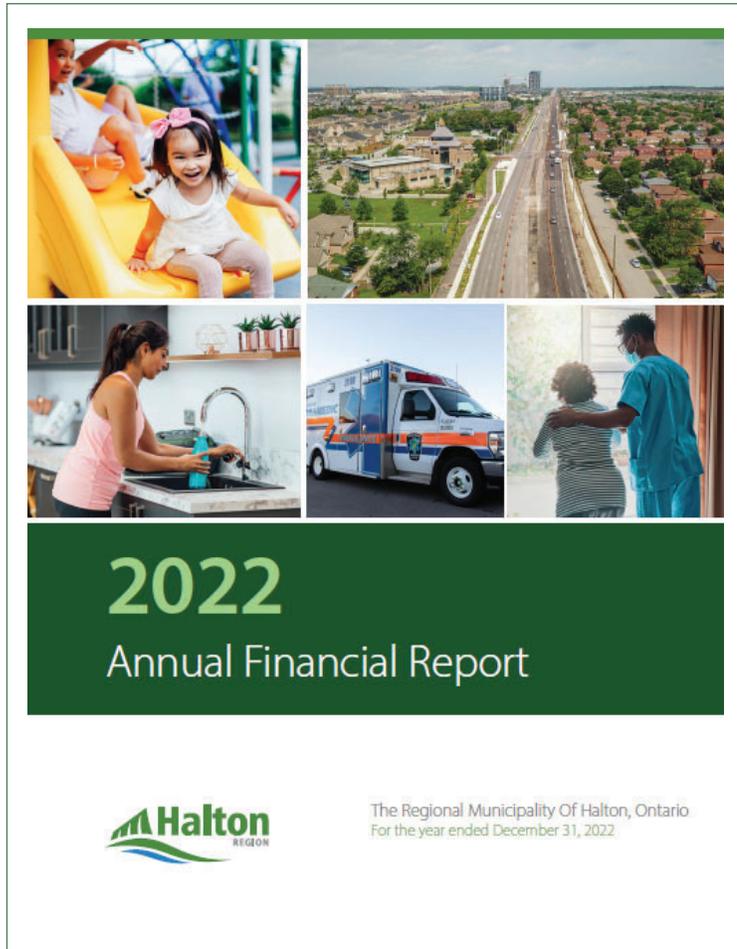
2022

Annual Financial Report



The Regional Municipality Of Halton, Ontario
For the year ended December 31, 2022

On the cover



Pictured on the cover, from left to right, beginning with the top row:

- Support for early learning at one of Halton Region's [child care centres](#).
- The [Trafalgar Road Improvements Project](#) in Oakville.
- [Water quality](#) is tested in Halton Region's water treatment plants, making it safe for residents.
- Halton Region [Paramedic Services](#) provides advanced and basic pre-hospital emergency care to residents.
- Providing care services to a resident at one of Halton's Regionally owned and operated [long-term care homes](#).

2022 Annual Financial Report

For the fiscal year ending December 31, 2022

The Regional Municipality of Halton, Ontario

The report was prepared by:

Halton Region Finance Department

in co-operation with all Regional departments



Message from Halton Regional Chair Gary Carr

On behalf of Regional Council, I am pleased to present Halton's 2022 Annual Financial Report.

As a result of our prudent, forward-looking financial planning principles, we have maintained the Region's strong financial position throughout 2022. Residents in Halton have continued to enjoy a high quality of life within our community supported by essential Regional programs and services. I am proud we have preserved our top credit rating for another consecutive year, which is critical in providing access to the best capital financing rates and allowing public funds to go further.

In 2022, we wrapped up our 2019-2022 Strategic Business Plan. The Strategic Business Plan sets the objectives and specific actions that help achieve our vision and shape the future. The strategic planning process ensures a strong alignment between Council priorities, our corporate departmental business planning and processes, and the Region's Budget and Business Plan. I would like to highlight some of our key achievements of the past four years, including:

- our response to the COVID-19 pandemic emergency;
- significant investments in infrastructure (specifically in transportation, water and wastewater);
- investments in the health, safety and well-being of residents;
- savings of more than \$3 million annually for energy costs and a 5.1 per cent decrease in Corporate Greenhouse Gas emissions since 2019; and,
- awards for Greater Toronto's Top Employers and Canada's Best Employers for Recent Graduates.

In early 2023, the newly elected Regional Council began to identify their key priorities and strategic directions to incorporate into the 2023-2026 Strategic Business Plan. The themes of the 2023-2026 Strategic Business Plan will be approved by Regional Council in the summer of 2023, and continue to provide actions that help achieve the Region's vision.

Our 2023 Budget and Business Plan includes investments in public health and long-term care, housing services, the state-of-good repair for Regional infrastructure and more. We are planning for continued growth in our community with our 10-year capital budget for infrastructure, specifically including:

- **Water and wastewater infrastructure:** \$3.1 billion in investments to support services for new developments, and to ensure a state-of-good repair and maintenance for facilities.
- **Transportation infrastructure:** \$3.0 billion in investments to support Regional transportation projects such as road widening, grade separations, road resurfacing initiatives, road studies, bridges and culverts.
- **Energy, fleet and facilities infrastructure:** \$0.5 billion in investments to support energy, fleet and facilities and other services to maintain and replace the Region's existing infrastructure assets.

As our economy faces significant challenges and volatility, Halton Region will continue to make important investments in our community and use a fiscally responsible approach to manage the Region's budget. By making strategic investments in our region's future, we ensure Halton remains a great place to live, work, raise a family and retire.

To learn more about Regional finances and the 2023 budget, visit [halton.ca](https://www.halton.ca).

Sincerely,

Gary Carr
Halton Regional Chair

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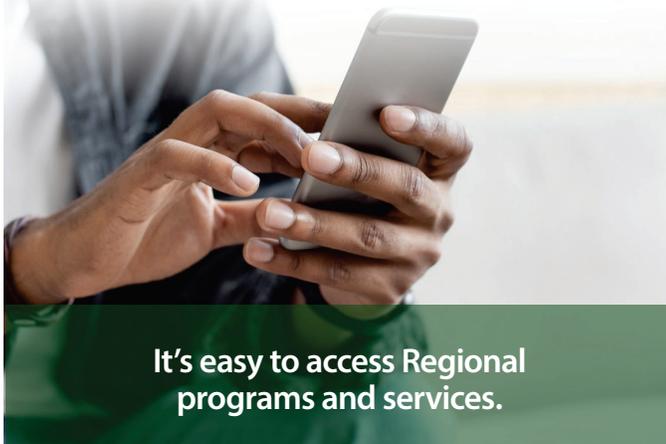
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One click | One tap | One call

One Halton



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Email accesshalton@halton.ca
or call 311



Follow us on social media
[@RegionofHalton](#)



Visit a Regional facility*

* Appointment may be required.
Please email or call ahead. Visitors
must follow all required public health
measures.

Halton Regional Council 2023-2026



Regional Chair

Gary Carr
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City of Burlington



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Town of Oakville



Mayor

Rob Burton
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Town of Halton Hills



Mayor

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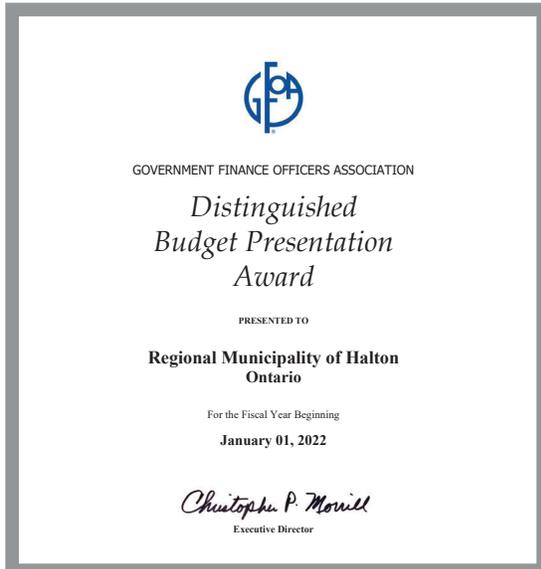
Ward 4

Sameera Ali
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Halton Regional Council is the decision-making body for Halton Region. The Halton Regional Chair is the head of Regional Council, which is made up of 24 elected representatives, including the Mayors of each Local Municipality.

Council agendas, meeting schedules, documents and streaming video are available online at [halton.ca](https://www.halton.ca).

Recent Awards



Distinguished Budget Presentation Award

2022 Budget and Business Plan
The Government Finance Officers Association of the United States and Canada



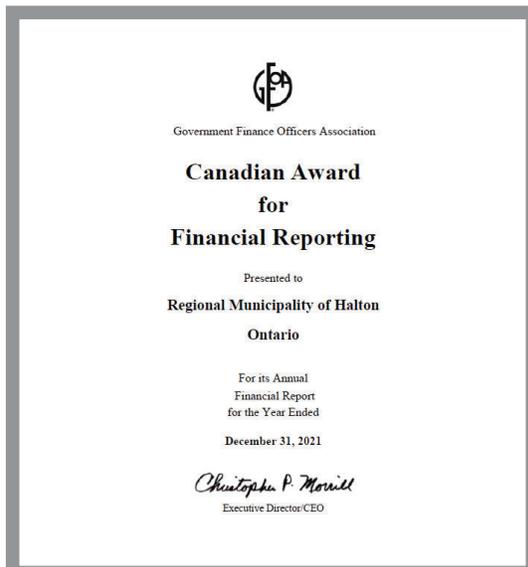
Greater Toronto's Top Employer Award 2023

Halton Region
Mediacorp Canada Inc.



Ontario Public Works Association Project of the Year

Burloak Water Treatment Plant Membrane Replacement & Upgrade Project
Ontario Public Works Association



Canadian Award for Financial Reporting

2021 Annual Financial Report *Government Finance Officers Association of the United States and Canada*



Excellence in Municipal Systems Award 2022

COVID-19 Vaccine Appointment Booking System
Municipal Information Systems Association of Ontario (MISA) Awards

Halton is a Great Place to Live

Halton is made up of four diverse municipalities—the City of Burlington and the Towns of Halton Hills, Milton and Oakville—combining the charm of small-town life and vibrant agricultural communities with access to major urban centres and amenities.

Halton is one of the fastest growing communities in Ontario, and is home to more than 637,000 residents and 13,800 businesses.

With its central location and reliable transit networks, Halton is close to markets in the United States, Toronto, Niagara and more. There are more than 20 post-secondary institutions within an hour's drive, providing a highly skilled workforce for employers and education and training opportunities for residents.

Residents in Halton enjoy a high quality of life, which is supported by essential Regional programs, services and infrastructure. From clean drinking water to resilient infrastructure and public health programs, financial assistance and family supports, residents and businesses can rely on programs and services that matter. Halton continues to maintain its rating as one of the safest Canadian municipalities, making the region one of the most desirable communities to live in Canada.

There is so much to explore and enjoy in Halton, from agricultural activities to waterfront trails and more. Recognized for its strong financial position, safe communities, green spaces and services, Halton is a great place to live, work, raise a family and retire.



Economic Statistics

637,054

2022 Population¹

#1

Lowest Crime Severity rate in Canada⁷

13,870

Number of Employers⁴

5.5%

Halton Unemployment Rate⁶

78.1%

Post-Secondary Attainment³

239,800

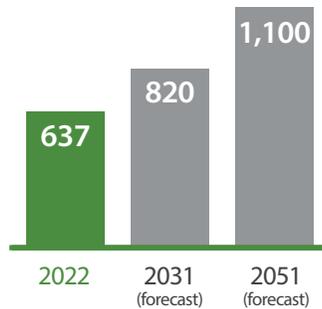
Total Jobs in Halton⁴

\$30.6B

Gross Domestic Product (GDP)⁸

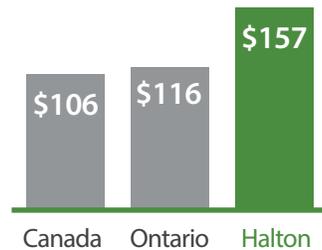
- 1 Halton Region Best Planning Estimates, June 2011 (forecasted)
- 2 *Place to Grow Act, The Growth Plan for the Greater Golden Horseshoe*, 2019
- 3 Statistics Canada Census, 2021
- 4 Halton Region Employment Survey, 2022, preliminary estimate
- 5 Statistics Canada, Building Permits Survey, 2022 Halton Region Economic Review
- 6 Statistics Canada Labour Force Survey, 2022 average
- 7 Statistics Canada Crime Severity Index, 2021
- 8 Conference Board of Canada, 2022 forecast

Population Growth²
(thousands)



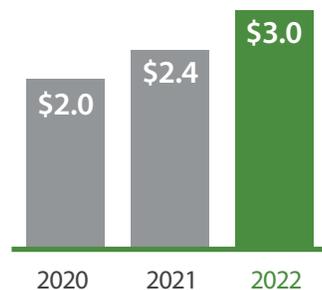
Halton is one of the fastest growing communities in Ontario. To meet requirements of the *Provincial Places to Grow Act, Growth Plan for the Greater Golden Horseshoe (2019)*, Halton is expected to grow to 1.1 million people by 2051².

Average Household Income³
(thousands)



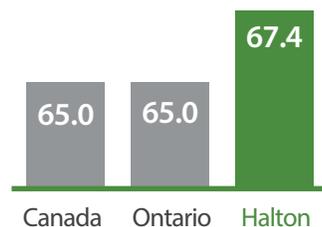
Halton Region residents have a higher average household income than residents in the rest of the province. Residents are also well educated, 78 per cent of adults have some level of post secondary education³.

Total Construction Value⁵
(billions)



Over the past five years, Halton's total building permit construction value is \$10.8B⁵.

Participation Rate⁶
(per cent)



In 2022, the labour force participation rate in Halton averaged 67.4 per cent, higher than the averages provincially and nationally⁶.

Halton Region Strategic Business Plan

The Strategic Business Plan provides a valuable roadmap that ensures the Region's initiatives and investments align with Council's priorities as well as the needs and priorities of the community. It determines how we work together to enhance Regional infrastructure, programs and services. The plan is updated at the beginning of each term of Council, setting a clear vision for their four-year term of office.

2019-2022 Strategic Business Plan

The Council-approved 2019–2022 Strategic Business Plan set the objectives and specific actions that helped achieve our vision and shape the future. The strategic planning process also ensured a strong alignment between Council priorities, our corporate and departmental business planning and processes, and Halton Region's Budget and Business Plan.

Regional Council identified five strategic themes, each with key objectives and specific actions that reflected current social, demographic and economic conditions and priorities:

 Planning and Growth Management	Ensuring that the necessary infrastructure and services are in place to maintain the high quality of life as the Region continues to grow.
 Transportation and Infrastructure	Investing and delivering on capital improvements that provide efficient and safe transportation options and maintain infrastructure in a state-of-good-repair.
 Community Well Being	Collaborating with partners to deliver the programs, services and supports that the community needs to be safe and healthy.
 Environmental Sustainability and Climate Change	Protecting and enhancing the natural environment and reducing our collective carbon footprint to mitigate the impacts of climate change.
 Effective Government	Transforming service delivery through innovation, technology and process improvements. Maintaining a strong financial position is critical for the future.

The Plan established priorities and provided a basis for strengthening existing relationships with Local Municipalities, community partners, and the Provincial and Federal Governments to deal with issues that continued to grow in complexity and required collaborative solutions.

The Plan has been a cornerstone of the Region's commitment to public accountability, transparency and engagement, and helping to ensure that the needs of the community have been met.

Some of the many highlights from the Plan included investments in infrastructure, new assisted housing opportunities, investing in the health, safety, and well being of residents, and adding 15,000 assisted housing units. [Report No. CA-05-22](#) re: Halton Region Strategic Plan 2019-2022 provides further detail on the outcomes of the 2019-2022 Strategic Business Plan.

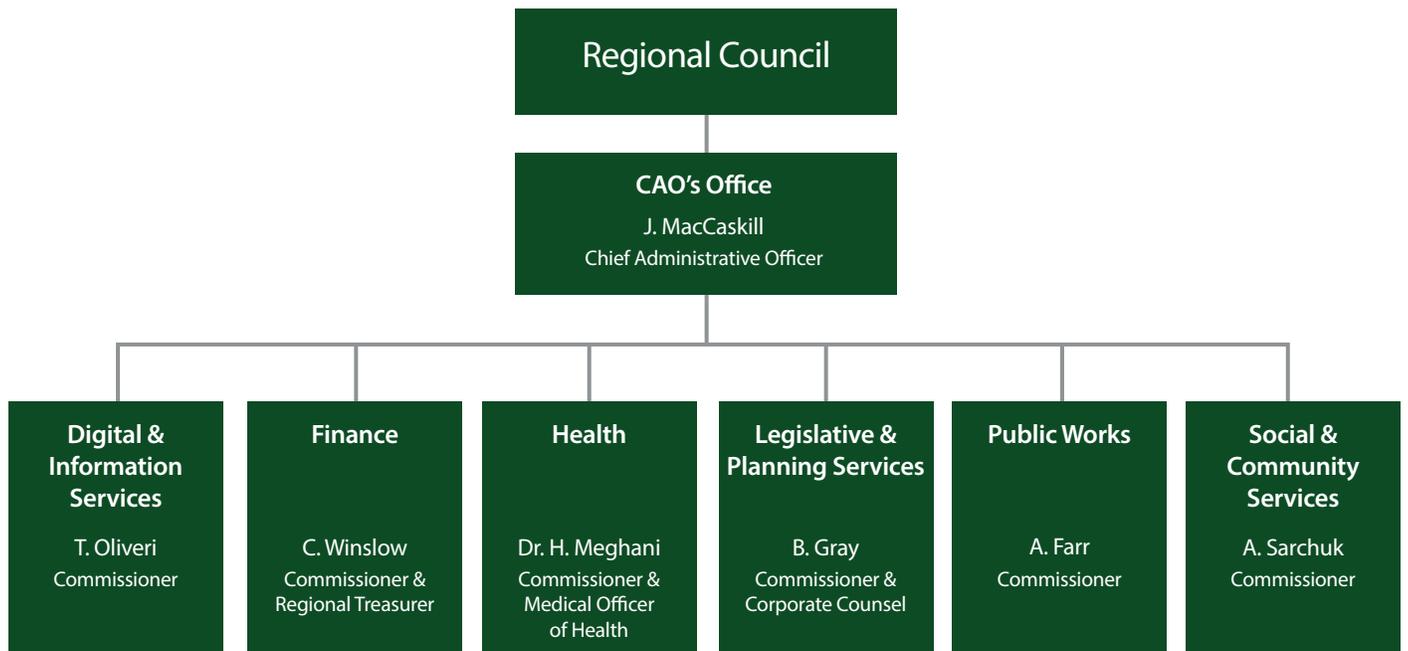
2023-2026 Strategic Business Plan

In early 2023, the newly elected Regional Council identified strategic directions and their key priorities for the 2023-2026 Strategic Business Plan. The next steps included:

- consultation with residents, businesses and stakeholders as well as Indigenous People, Communities and First Nations;
- ensuring alignment between Council priorities and Halton's annual Budget; and
- setting measures to help us track and report progress towards achieving the Region's goals.

Once finalized, the 2023-2026 Strategic Business Plan will guide our work as we continue to provide the services and infrastructure our community relies on every day and to ensure Halton remains a great place to live. The Plan is scheduled for Regional Council approval in the summer of 2023.

Halton Region's Corporate Organization



What We Do

Halton Region supports people living and working in the City of Burlington and the Towns of Halton Hills, Milton and Oakville.

From clean drinking water to resilient infrastructure, public health programs, financial assistance and family supports, residents and businesses can rely on Halton Region to deliver essential programs and services that keep our community a great place to live.

Halton Region Programs and Services



Business services and economic development



Housing services and the Halton Community Housing Corporation



Regional roads and transportation



Children's services



Infrastructure and construction



Long-term care and services for seniors



Community safety and well-being planning



Land use planning and growth management



Waste management



Emergency planning



Paramedic services



Wastewater collection and treatment



Social assistance and employment supports



Public health



Water purification and distribution



Treasurer's Report

Cyndy Winslow
Commissioner of Finance and Regional Treasurer

I am pleased to present the consolidated financial statements for the Regional Municipality of Halton (Halton Region or the Region) for the year ended December 31, 2022. These consolidated financial statements and accompanying notes are prepared in accordance with Canadian public sector accounting standards.

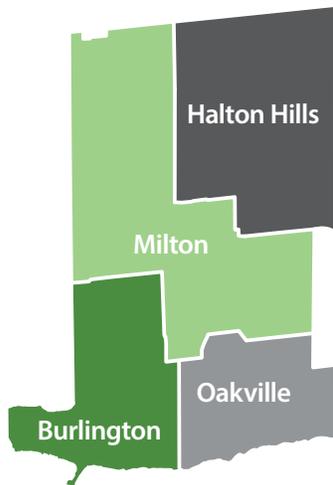
Management at Halton Region is responsible for the information contained in the Annual Financial Report, which includes the consolidated financial statements, notes to the consolidated financial statements and other financial information.

The purpose of the Treasurer's Report is to analyze and comment on the principal features of the 2022 consolidated financial statements and to highlight key priorities and financial results that occurred during the year. This report communicates to residents, businesses and all stakeholders the details of the Region's 2022 financial performance and related information about significant financial policies.

Treasurer's Report

Community Profile

Halton Region is an upper-tier municipality providing services to residents in the City of Burlington and the Towns of Halton Hills, Milton and Oakville. Close to major markets in Canada and the United States, Halton Region is located within the rapidly growing Greater Toronto and Hamilton Area (GTHA), offering expanded business and employment opportunities for more than 637,000 residents and 13,800 businesses. Halton Region features 526 km² of green space and covers 969 km² of total land area, including portions of the Niagara Escarpment.



2022 Regional Economy Highlights

Halton maintained its strong financial position in 2022 despite the significant challenges of COVID-19 as a result of strong leadership, execution of strategic plans and prudent financial practices.

The COVID-19 pandemic has had a significant impact on workplace and employment trends which are still working through the Canadian economy. In 2022, Halton's unemployment rate averaged 5.5 per cent, down from 6.5 per cent in 2021 and slightly below the broader GTHA rate of 5.7 per cent and the provincial rate of 5.6 per cent. This was partly attributable to Halton Region's highly skilled, professional workforce, which is more adaptable to shift to a hybrid and work-from-home workforce model.

Halton Region is home to a growing business community in a diverse range of industry sectors, with clusters in engineering, automotive, technology, financial services, food processing and logistics distribution. There were 13,870 employers across Halton Region in 2022, employing 239,800 workers.

Spurred by a rapidly growing population, the pace of development across Halton continued to accelerate in 2022 over 2021, with a 24 per cent increase in total construction value approved for development.

Regional Review

In November 2022, the [Provincial Government announced](#) that as they consider how to best extend strong mayor tools to more growing municipalities, provincially-appointed facilitators will be tasked with assessing regional governments in Durham, Halton, Niagara, Peel, Waterloo and York. The facilitators will work with local governments to assess the best mix of roles and responsibilities between upper and lower-tier municipalities and ensure they are equipped to deliver on the Provincial Government's commitment to tackle the housing supply crisis.

In May 2023, the Provincial Government [announced new legislation](#) to provide for the dissolution of the Regional Municipality of Peel effective January 1, 2025. Mississauga, Brampton and Caledon will become single-tier municipalities. The stated intention of the new legislation is to ensure these municipalities are positioned to support future growth. The announcement also included an update regarding the regional review process that was announced in November 2022. The Province expects that regional facilitators will be identified soon and will review existing municipal governance in regional settings including Durham, Halton, Niagara, Simcoe, Waterloo and York. Halton Region's focus continues to be on providing high quality, essential services to Halton residents. Halton Region is also working closely with our Local Municipalities to identify opportunities to advance provincial housing goals and respond to Provincial legislation targeted at increasing housing supply.

COVID-19 Pandemic

General Program

In 2022, Halton Region Public Health investigated 28,235 lab-confirmed COVID-19 cases among Halton residents and managed 184 outbreaks in priority settings such as long-term care and retirement homes. Public Health staff followed the most current provincial guidance, liaised with hospitals and community health care partners, and provided education on effective outbreak and infection prevention and control practices. The highest risk settings were identified and prioritized using the most current surveillance data on the number and location of cases, as well as trends in identified circulating lineages, which informed the allocation of the limited staffing resources to respond appropriately. Public Health also ensured the most current information regarding surveillance data, isolation, testing and treatment options were available on Halton Region's website.

Treasurer's Report

Public Health continues to respond to the COVID-19 pandemic, and this includes case management of all reported hospitalized cases and deaths, outbreak management in high risk institutional settings, surveillance and communications. Some staff resources continue to be redeployed from non-COVID-19 mandated public health programs to support the COVID-19 response, in particular for outbreak management and surveillance. Furthermore, many additional temporary staff resources continue to support the pressures associated with pandemic response work.

Vaccine Program

Vaccination is an essential part of protecting communities against severe outcomes from COVID-19, and Halton Region continued to play a key role in administering and distributing COVID-19 vaccines throughout 2022. Public Health administered 224,097 doses of COVID-19 vaccine through fixed-site community clinics, pop-up clinics and in-home vaccinations for homebound residents. Public Health was also responsible for the distribution of COVID-19 vaccines to local congregate care settings, physician offices and hospitals.

Through most of the first quarter of 2022, staff responded to an influx of adults who became eligible for booster doses to increase community protection against the Omicron variant. Late in July 2022, children under five became eligible for their first dose, meaning vaccines were available for all people six months of age and older. As such, Public Health adapted its pediatric clinic model for its youngest clients. New bivalent vaccines became available in the fall, offering protection against both the Omicron and original strains of COVID-19. By the end of 2022, 122,900 Halton residents 12 years and older had received a fall booster, and 11 per cent of children under five had received their first dose.

Halton Region Public Health remains agile to respond to additional waves and variants of COVID-19, new groups becoming eligible for vaccination or additional doses against COVID-19, and any further provincial guidance or measures.



Strategic Business Plan 2019–2022

The Council-approved 2019–2022 Strategic Business Plan set the objectives and specific actions that helped achieve our vision and shape the future. The strategic planning process also ensured a strong alignment between Council priorities, our corporate and departmental business planning and processes, and Halton Region's Budget and Business Plan.

Regional Council identified five strategic themes, each with key objectives and specific actions that reflected current social, demographic and economic conditions and priorities:



The Plan established priorities and provided a basis for strengthening existing relationships with Local Municipalities, community partners, and the Provincial and Federal Governments to deal with issues that continued to grow in complexity and required collaborative solutions.

The Plan has been a cornerstone of the Region's commitment to public accountability, transparency and engagement, and helping to ensure that the needs of the community have been met.

Some of the many highlights from the Plan included investments in infrastructure, new assisted housing opportunities, investing in the health, safety, and well being of residents, and adding 15,000 assisted housing units. [Report No. CA-05-22](#) re: Halton Region Strategic Plan 2019-2022 provides further detail on the outcomes of the 2019-2022 Strategic Business Plan.

The 2023-2026 Strategic Business Plan is scheduled for Regional Council approval in the summer of 2023.

Treasurer's Report

Strong Long-Term Financial Position

AAA credit rating

Halton Region's AAA credit rating was reaffirmed by both S&P Global Ratings (AAA) and Moody's Investors Service (Aaa) in 2022. Halton Region has maintained its AAA and Aaa credit ratings for 34 years, which is a testament to its financial position, policies and practices. The primary factors that contributed to this achievement are Halton Region's history of strong budgetary performance, prudent fiscal management, declining debt levels and a positive financial outlook for the Region. Financial policies that reduce the risks associated with debt servicing include entering into agreements with developers for growth-related infrastructure. These agreements are developed through allocation programs and financing plans, which are unique to Halton Region and support the Region's growing economic base.

Halton's commitment to multi-year planning for operating and capital budgets allows the Region to anticipate spending pressures early, resulting in strong financial outcomes. Halton Region has a AAA credit rating from S&P and Aaa credit rating from Moody's, which is the highest investment credit rating signaling superior financial strength. This allows the Region to issue debt at the lowest possible cost, in turn reducing the financial impact to tax and rate payers.

Property taxes

The annual budget continues to maintain service levels in the Region's core service areas and ensures delivery of the priorities identified by Regional Council through the Strategic Business Plan.

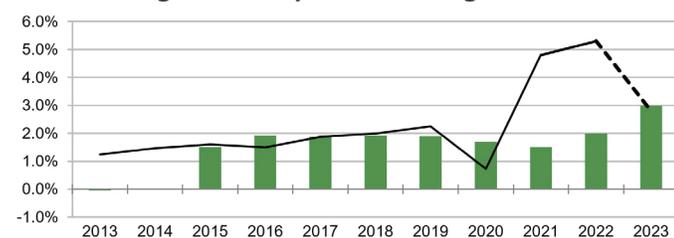
The 2023 Budget includes a 3.0 per cent increase in the Regional tax levy (excluding Police), maintaining the annual property tax rate increase for Regional services at or below the rate of inflation. This achievement delivered on a key Regional Council priority identified in the Halton Region Strategic Business Plan 2019-2022. As shown in the graph below, despite facing significant budgetary pressures, Halton Region continues to keep taxes low while delivering high-quality services to residents through

improving efficiency, cost containment initiatives and assignment of resources to strategic priority areas.

The key priority for developing the tax budget is to maintain tax rate increases at or below the rate of inflation. To achieve this, the budget is prepared based on the following principles:

- The annual budget is prepared in accordance with the financial plans, annual targets and policies approved by Regional Council.
- Halton Region's strong financial position and financial planning principles will be continued to ensure the Region's AAA/Aaa credit rating is maintained.
- Strategic investments in additional staff resources resulting from growth, program enhancements or additional Federal/ Provincial funding will require a business case to be considered by Regional Council as part of the annual budget process.
- The annual budget includes investment in the state-of-good-repair of Halton Region's assets to maintain a good overall condition of the assets as the Region's infrastructure continues to age and expand.
- Regional programs are funded from sustainable revenues to ensure ongoing expenditures are not funded from temporary or one-time revenues.
- 10-year Operating and Capital Budget forecasts are prepared.
- All growth-related capital costs that can be recovered under the *Development Charges Act, 1997* (DCA) will be recovered from growth in the annual budget. In order to proceed with growth in the Region, an acceptable financing plan must be approved by Regional Council prior to development proceeding.
- Halton Region's own debt limits are not exceeded throughout the 10-year forecasts.
- Reserves are maintained at levels to ensure financial sustainability to support the state-of-good-repair of Regional assets, tax and rate stabilization reserves targets, and to fund specific program requirements.
- The budget presented to Halton Region taxpayers is clear and easy to understand, as evidenced by the annual receipt of the Distinguished Budget Presentation Award by the Government Finance Officers Association of the United States and Canada (GFOA).

Region Tax Impact (excluding Police)



■ Region (excluding Police)

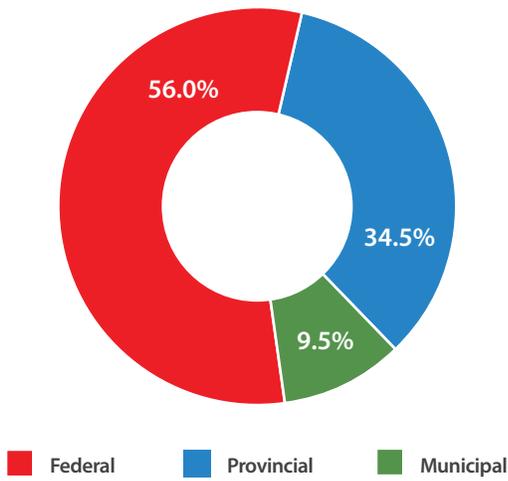
— Inflation % (CPI)

- - - Projected Inflation*

*Per the Bank of Canada's April 2022 Monetary Policy Report)

Treasurer's Report

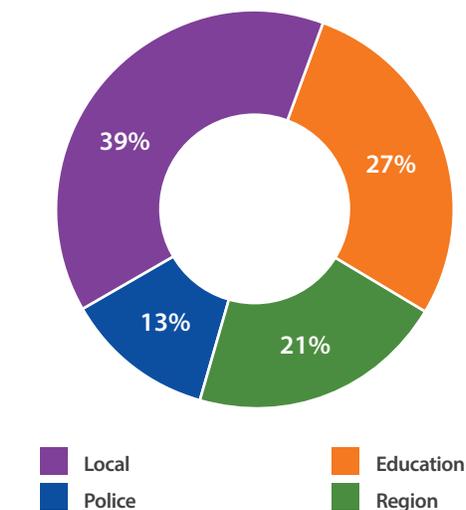
Average Ontario Family Tax Bill Breakdown



Figures may not add due to rounding

Source: Fraser Institute's Canadian Tax Simulator, 2022

Percentage Share of 2022 Property Tax Bill



Figures may not add due to rounding

Halton Region utilizes its reserves and debt in the financing of the State-of-Good-Repair capital program for existing infrastructure. The reserves (including operating contributions, Canada Community- Building Fund (formerly the Federal Gas Tax) revenue and investment earnings) are used in support of the Region's pay-as-you-go approach in financing ongoing or recurring life cycle requirements. Debt financing is utilized for significant upgrade and rehabilitation initiatives, ensuring the operating impacts from the significant capital program remain smooth and the timing of revenue recovers from tax and rate payers is appropriately matched with the benefit of infrastructure.

The following chart illustrates the annual projected debt levels over the next 10 years. Debt levels are expected to peak in 2023 at \$198.9 million, mainly driven by funding required for the Police 1 District New Construction in 2023. The level declines substantially over the forecast period as the Region moves forward with the pay-as-you-go funding approach for the State-of-Good-Repair capital program and as existing debt retires.

Outstanding Debt Principal (in \$ millions)



Halton Region relies on development charges (DCs) to finance new infrastructure and for the expansion of existing infrastructure required for growth. The current DC [By-law No. 25-22](#) (Residential and Non-Residential Water and Wastewater, Roads and General Services Development Charges for Built Boundary and Greenfield), was passed by Regional Council on May 25, 2022 and came into effect September 1, 2022. Under DC legislation, a DC by-law must be updated every 10 years (or sooner) to reflect updated growth forecasts and infrastructure costs. DCs, combined with the Regional interim financing through the Capital Investment Revolving Fund, Tax Capital Reserve and debt, are used for the financing of growth-related projects consistent with [Report No. FN-46-19/ PW-50-19/ LPS112-19](#) re: 2020 Allocation Program Options. In particular, the Regional interim financing is provided for the non-residential employment capital cost share and will be recovered from future DCs, including carrying costs under the financing plan. This plan ensures all growth-related costs that can be recovered under the DC By-law will be recovered and Halton Region's strong financial position is not compromised.

Financial Management

Capital Financing Strategy

The long-term maintenance of Halton Region's solid fiscal foundation is one of the primary goals established by Regional Council. Continued diligence in managing debt levels and maintaining adequate reserves is required to sustain Halton Region's strong financial position.

Long-term financing requirements are driven by the long-term capital infrastructure plan and asset management needs.

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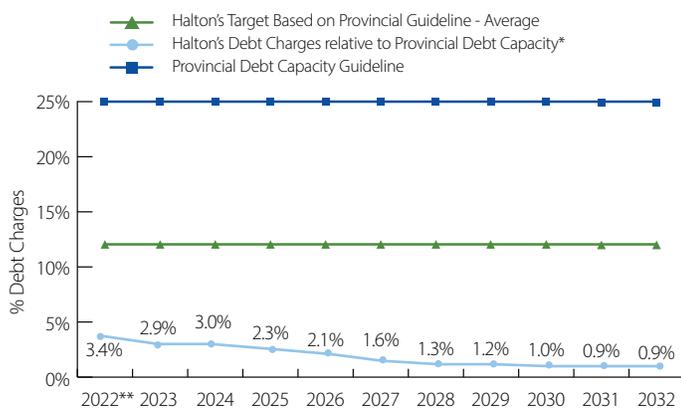
Through [Report No. LPS-72-22/FN-34-22](#) re: Proposed Changes to the Provincial Planning Framework - Bill 23 and More Homes, Built Faster: Ontario's Housing Supply Action Plan dated November 9, 2022, Regional Council received information on a series of changes proposed by the Province as part of the More Homes Built Faster Housing Supply Action Plan and Bill 23. The report highlighted changes proposed to the *Planning Act* and *Development Charges Act* that would fundamentally alter the Region's role in land use planning and its ability to fund and deliver growth-related infrastructure.

Bill 23, *More Homes Built Faster Act, 2022*, received Royal Assent on November 28, 2022 and Halton Region is continuing to assess the significant impacts of these changes.

Debt capacity

The Province sets a debt capacity guideline for municipalities at 25 per cent of own revenues. Halton Region's own guideline (10 per cent of total gross operating expenditures) translates to approximately 12 per cent of own revenues. The chart below illustrates the Region's projected position relative to the Province's guideline. The Region's ratios continue to remain well below the Region's guideline and the trend relative to the Provincial guideline declines substantially over the forecast period due to the reduction of debt financing discussed earlier.

Projected Debt Charge Position Relative to Provincial Guideline (2022 - 2032)

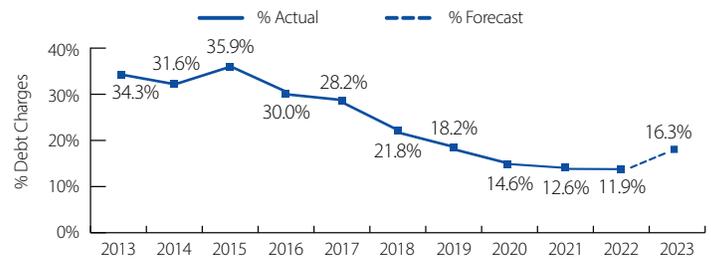


* Debt charges are projected based on inflated debt and include other long-term financial obligations (i.e. lease payments)
 ** 2022 Debt Charges reflects the projected year end actual.

Debt to reserve ratio

The following Outstanding Debt to Reserves and Reserve Funds chart illustrates the impact of Halton Region's financial plans in terms of the debt-to-reserve ratio. The lower the ratio, the more financial flexibility available to respond to new requirements and the more secure Halton Region's overall financial position. The ratio is expected to increase in 2023 (16.3 per cent) from the 2022 level due to the issuance of debt for Police related to 1 District New Construction.

Outstanding Debt to Reserves and Reserve Funds



Key Priorities

Halton Region's vision is to enhance the quality of life for residents of Halton today and into the future. To meet this vision, the 2019-2022 Strategic Business Plan identified five strategic themes that reflected the priorities of Regional Council for the community: planning and growth management, transportation and infrastructure, community well being, environmental sustainability and climate change, and effective government. The Region is committed to preserving a landscape that is rich, diverse, balanced, productive and sustainable and a society that is economically strong, equitable and caring.

Planning and growth management

Based on the Provincial Growth Plan, Halton Region is expected to grow to a population of 1.1 million people and 500,000 jobs by 2051. The Region will continue to ensure the necessary infrastructure and services are in place to support this future growth and maintain a high quality of life for Halton residents. The Region's distinct approach to planning for and funding infrastructure and support growth in an integrated and coordinated fashion is key to our long-term success.

As noted in [Report No. LPS34-23](#) re: Regional Planning in a Post-Bill 23 Environment, when fully implemented, Bill 23, *More Homes Built Faster Act, 2022*, will result in considerable changes to the Ontario Planning system, including the Region's role in planning and growth management. For example, the Regional Official Plan (ROP) will be deemed to constitute an official plan of the Local Municipality and each Local Municipality will be responsible for all aspects of implementation of the ROP until such a time that it is revoked and/or amended.

Halton's Regional Official Plan Review (ROPR) is a multi-year project, which is currently accommodated within capital project T8021 – Regional Official Plan. An important part of the ROPR process was the development of an Integrated Growth Management Strategy (IGMS) to guide how Halton would accommodate future growth. The second amendment to the IGMS was implemented through Regional Official Plan Amendment (ROPA) 49 which was adopted

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by Regional Council in June 2022 with [Report No. LPS-50-22](#) re: Recommendation Report - Regional Official Plan Amendment No. 49 – “An Amendment to Implement the Integrated Growth Management Strategy” and approved by the Province, with significant modifications, in November 2022. ROPA 49, as modified by the Province, identifies a growth strategy for Halton to 2051, including the addition of new urban lands within the Regional Urban Boundary.

Coordination of land use, infrastructure, and financial planning will remain vital, and to support this, the Region is in the process of developing Joint Best Planning Estimates (JBPEs) in collaboration with the Local Municipalities. The JBPEs are a tool used to identify the anticipated timing and location of growth within specific geographic areas of the Region. The JBPEs will consider the results of Halton's Integrated Growth Management Strategy (which resulted in Regional Official Plan Amendments (ROPA) No. 48 and 49 as approved by the Province) as well as updated Local Municipal input that considers the new 2031 municipal housing pledge targets issued by the Province, among other things. Following completion of the JBPEs, the Region will also advance updates to the infrastructure master plans and development charges in accordance with the Region's longstanding integrated approach.

The Region will not be proceeding with completing the balance of the Regional Official Plan Review (ROPA 50) dealing with matters relating to natural heritage, agriculture, climate change and indigenous relations on the basis that the Local Municipalities have agreed this work will be fulfilled once they have assumed the Regional Official Plan following proclamation. The Region will provide the necessary support to the Local Municipalities in assuming the responsibility for implementing the Regional Official Plan.

Transportation and infrastructure

The Region is committed to expanding transportation options throughout Halton while promoting safety, minimizing environmental impact, optimizing traffic flows and ensuring state-of-good-repair of core infrastructure. Providing timely, accessible and consistent information on construction activity and engaging residents throughout construction projects will continue to be priorities.

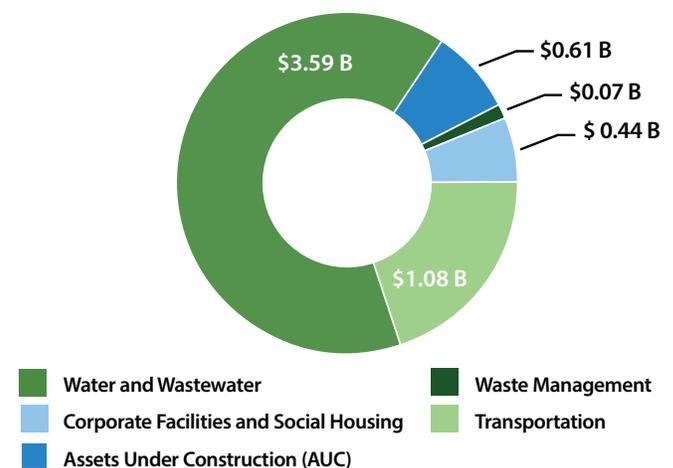
Asset Management Plans

Maintaining Regional assets and infrastructure in a state-of-good-repair is a key priority. Halton Region updates the Corporate Asset Management Plan on a regular basis, which guides investment decisions in the Budget to ensure assets continue to be in good condition and meet desired levels of service.

Guided by Halton Region's Corporate Asset Management Policy, and in accordance with O. Reg. 588/17, Halton Region updated its Asset Management Plan through [Report No. PW-01-22/ FN-11-22/ DI-01-22](#) re: Asset Management Program and Lifecycle Models Update. The updated Asset Management Plan describes the infrastructure the Region owns, operates and maintains to support services to the community and identifies what has been achieved, what is being done and what needs to be done to ensure services provided to residents, businesses and institutions continue to be delivered based on desired levels of services while maintaining financial sustainability.

To guide future improvement initiatives and identify any gaps, an asset management capability review was conducted in 2021 to provide an objective state of each Regional program's current and target asset management capabilities. Halton Region's asset management competence compares favourably with established asset management best practices. The next steps will be to improve current practices around technology management, operations and maintenance master planning and developing staff asset management competencies.

2022 Tangible Capital Asset Net Book Value
Total \$5.8 Billion



Road maintenance

Halton Region contracts the repair and maintenance of Regional roads to the Local Municipalities through the Regional Road Maintenance Agreement. A major driver of the increased road maintenance cost is the increase in lane kilometres to support growth in the region. Between 2016 and 2022, the Region's transportation network system has been in a state of accelerated growth, with an increase of 56 lane kilometres. The following table shows the growth in the Regional road network over the past several years.

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Halton Region's municipal stormwater system has grown significantly through urbanization, road widening, road transfers, and increased Provincially-mandated environmental protection requirements. This increase in the amount of stormwater assets and program demands is expected to continue to grow with road network expansion.

In 2022, a comprehensive inventory of the municipal stormwater system was updated including: storm sewers, culverts, ditches, swales, catch basins, maintenance holes, oil and grit separators, super pipes, stormwater management ponds, infiltration trenches, and pumping stations. This inventory provides the foundation for asset lifecycle management to enable asset management, developing a 10-year capital plan. It was also integral to the approval of Halton Region's first Consolidated Linear Infrastructure Environmental Compliance Approval by the Ministry of the Environment, Conservation, and Parks in July 2022.

As the growth of Halton Region's road network is expected to continue, maintaining state-of-good-repair of stormwater assets through the implementation of monitoring, inspections, and maintenance programs to ensure optimal performance while complying with Provincial regulations will be critically important.

Community well being

Halton Region contributes to the health and safety of our community by providing programs and services that continue to respond to the changing demographics and diversity of Halton residents. This includes creating partnerships and programs to respond to the needs of older adults, the need for additional assisted and affordable housing, and collaborating on initiatives to support the health, safety and well being of the community.

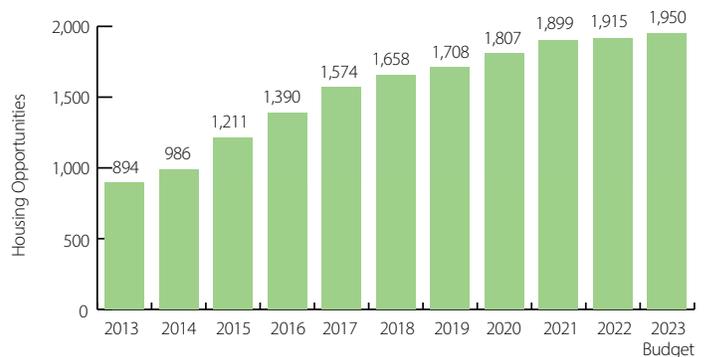
Comprehensive Housing Strategy (CHS)

As approved by Regional Council in [Report No. SS-19-19/LPS-86-19](#) re: Comprehensive Housing Strategy 2014–2024 – Five Year Review, the Region refreshed its CHS to reflect current housing priorities and the supporting financial plan. The *Housing Services Act* requires the CHS to be reviewed and updated at least once every five years.

Halton's housing program has expanded based on continued contribution from Halton Region and the funding allocated from the Provincial and Federal governments. The Regional funding for new community housing opportunities (previously referred to as assisted housing) will continue at \$7.8 million annually, as set out in the CHS. Funding will continue at the same level to respond to the increasing demand for assisted housing.

Through Halton Region's significant investment and the Provincial government's previous Investment in Affordable Housing-Extension (now Ontario Priorities Housing Initiative), Investment in Affordable Housing-Social Infrastructure Fund and Home For Good programs, Halton Region has been very successful in the delivery of additional new housing opportunities through the Regional CHS, as shown in the following graph.

New Assisted Housing Opportunities in Halton (Total Cumulative)



Halton Region's CHS Update 2014-2024 committed to create up to 900 new assisted housing opportunities. 1,021 new assisted housing opportunities have been created from 2014-2022, with an additional 35 budgeted in 2023, therefore meeting its target well ahead of the planned dates.

[Report No. LPS-84-21/SS-25-21](#) re: Portfolio Approach to Achieving Comprehensive Housing Strategy Objectives, proposes a strategic, multi-pronged, development approach to create new assisted housing opportunities through to 2031. This positions Halton Region to create up to 600 additional assisted housing opportunities by 2031 if support from senior levels of government is made available.



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Halton Region also works with community partners on a wide range of issues to support residents who are vulnerable to negative social, economic or health outcomes. Two primary vehicles through which this occurs are the Halton Region Community Investment Fund (HRCIF) and the Community Safety and Well Being (CSWB) Plan, both of which serve as mechanisms to identify and respond to human service issues in a collaborative manner. In 2022, a wide range of programs have been funded to support the well-being of children, youth and older adults; strengthen food security among low-income residents; enhance mental health, and address small capital needs of community organizations. In addition, the HRCIF continues to play an essential role in meeting the needs of vulnerable populations during the COVID-19 pandemic and 40-year high inflation rates.

Environmental sustainability and climate change

Halton Region continues its effort to reduce the carbon footprint of Regional operations to mitigate the impacts of climate change. Halton Region also continues to ensure Regional infrastructure and services are resilient and risks associated with severe weather events are mitigated where possible. Halton Region is committed to protecting natural and agricultural areas and the natural heritage system of Halton. Key environmental sustainability and climate change objectives in the 2019–2022 Strategic Business Plan included:

- ensuring a permanently secure, economically viable agricultural industry;
- assessing the health of the natural heritage system;
- determining required restoration and remediation; and
- developing policies and approaches that seek to balance the natural heritage system interests with those of agricultural areas.

Climate Change Response

On September 11, 2019, Regional Council approved a motion to declare a climate emergency for the purposes of deepening the Region's commitment to protecting and improving the resiliency of the economy, environment and community from climate change. Through this declaration, Regional Council asked staff to develop a climate change strategy, including short and long-term actions to address climate change mitigation and adaptation across Halton. As reported through [Report No. CA-05-22](#) re: Halton Region Strategic Plan 2019-2022 Report, key achievements have been made over the past four years in the priority area of environmental sustainability and climate change, including:

- Declaring a Climate Change Emergency and committing to the establishment of long and short-term goals for the organization and further engagement of the community

- Entering into a Memorandum of Understanding with the Halton Environmental Network (HEN) to assist in coordinating climate change initiatives in Halton and enhance community engagement
- Achieving a 5.1 per cent decrease in Corporate Greenhouse Gas (GHG) emissions since 2019, a 9.3 per cent decrease in hydro consumption per square foot and a 17.5 per cent decrease in heating consumption per square foot
- Saving more than \$3 million annually in energy costs related to light emitting diode (LED) streetlights, treatment plants and other initiatives; and
- Updating Halton Region's Solid Waste Management Strategy with a focus on increasing diversion rates from the current 58 per cent to between 64 per cent and 70 per cent over the next 10 years

Waterfront Master Plan

Regional Council approved the Burlington Beach Waterfront Master Plan and the related financing plan in 2015, as outlined in [Report No. LPS-54-15](#) re: Burlington Beach Regional Waterfront Park - 2015 Master Plan and [Report No. LPS-59-15](#) re: Burlington Beach Acquisition Implementation/Strategy (T5800D), committing approximately \$51.8 million of Regional investment between 2015 and 2035.

The Halton Region Waterfront Parks program was designed to recognize the significant environmental, economic, cultural and recreational importance of the Lake Ontario (and the Burlington Bay) shoreline to the residents of Halton and the Province. The program will provide an opportunity to maximize public accessibility to the Halton waterfront by increasing the amount of well-distributed public space and a variety of recreational, cultural and tourism opportunities along the Halton waterfront. Implementation of Phase 2A and 2B of the Burloak Waterfront Master Plan as set out in [Report No. LPS-108-19](#) re: Burloak Regional Waterfront Park 2019 Update was completed at the end of 2022. The approved Master Plan for Burloak Regional Waterfront Park identifies amenities in the western limits of the park including a permanent washroom facility and splash pad for implementation as part of Phase 3. The design stage of Phase 3 will commence in 2023 while construction is planned to begin in 2024.



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Alternate Energy Technologies

Halton Region continues to investigate alternate energy technologies to reduce Regional energy costs and further reduce GHG emissions. A strategic priority for the Region is to reduce the carbon footprint related to Regional services by reducing energy consumption and GHG emissions.

As reported in [Report No. PW-29-22](#) re: 2021 Transportation Progress Report, the retrofit program to convert the Region's high pressure sodium (HPS) street lights to LED technology is now complete. In total, approximately 5,900 HPS streetlights were replaced with more energy efficient LED streetlights.



Long-Term Water Meter Strategy

As reported to Regional Council in [Report No. PW-28-21/FN-30-21](#) re: Long Term Water Meter Strategy – Implementation Plan Update and [Report No. PW-12-23/FN-19-23](#) re: Advanced Metering Infrastructure Project - Update, Halton Region awarded the Advanced Metering Infrastructure System (AMI) and Meter Replacement contract in 2021. Deployment of the AMI system network is expected to be completed by late 2023 with residential and AMI meter installations anticipated for late 2023 through 2026.

Through the utilization of AMI technology, the water and wastewater system will become more efficient through improved system performance monitoring. This is projected to result in less water being wasted, additional revenue protection and positive environmental impacts. Improved access to data will allow staff and customers to proactively identify leaks and other issues, and is anticipated to enhance customer service and reduce the number of meter reading issues and service calls, to which meter technicians respond. The proactive maintenance program for large meters (40 mm and greater) will continue in 2023, prolonging the life of the meters and ensuring that the proper volume of water is being recorded. Based on the results of meter testing, the meter replacement program will be optimized to ensure that larger meters are scheduled for replacement when their accuracy in measuring volume degrades.

Solid Waste Management Strategy and Master Plan

As reported in [Report No. PW-10-22](#) re: Recommended Solid Waste Management Strategy 2023-2030, public engagement was undertaken during the fall of 2021 to obtain input and feedback on the proposed Solid Waste Management Strategy. Based on results of the Public Engagement and level of community support for the proposed initiatives, Regional Council endorsed the Solid Waste Management Strategy and the recommended key initiatives. The recommended Solid Waste Management Strategy provides the framework to develop policy directions that meet the environmental, economic and social outcomes that established the key initiatives. Once implemented, the key initiatives have the ability to increase the total diversion of waste generated in Halton from landfill from the current 58 per cent to between 64 per cent and 70 per cent by the year 2030. In addition, the Strategy proposes to reduce GHG emissions by over 13,000 tonnes per year and extend the lifespan of the landfill out to 2050-2054. Staff are undertaking a comprehensive analysis of costs and will incorporate financial impacts into annual budgets for Regional Council's consideration based on the timing of the implementation plan for the various initiatives.



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Effective government

Halton's future success is dependent on its strong financial foundation and its commitment to invest in the state-of-good-repair of Regional infrastructure and assets. Enhancing public engagement and awareness of Regional programs to promote transparency and accountability are key objectives to this priority as Halton Region transforms service delivery through innovation, technology and continuous improvements.

Continuous Improvements

The 2019–2022 Strategic Business Plan established an objective of keeping annual property tax rate increases at or below the rate of inflation. Regional staff actively review proposed budgets and implementation plans for strategic initiatives to ensure service levels are maintained and Regional Council priorities are achieved. Halton Region is committed to continuous improvement by:

- increasing use of technology;
- streamlining business processes;
- reallocating resources to address priorities;
- implementing efficiencies through all of Halton Region's programs;
- identifying cost-savings while maintaining levels of service;
- enhancing customer service; and
- responding to growth requirements.

Digital and Workplace Transformation

Halton Region's 2019–2022 Strategic Business Plan prioritized the delivery of high-quality digital services to residents and businesses. To achieve this objective, the Region developed a new digital strategy through [Report No. ST-07-21](#) re: Digital Strategy and Audit and Accountability Fund Update. The Strategy provides the framework to enhance digital services by transforming business processes and services to ensure complete, high-quality online service delivery. The Strategy also identifies the technologies and infrastructure required to deliver digital services effectively.

The COVID-19 pandemic has resulted in an accelerated opportunity to use digital technology across the Region to improve customer and staff experiences, streamline processes, increase productivity, and support decision making using data. As many staff continue to work from home or transition to hybrid work arrangements and services become increasingly reliant on electronic delivery, dependence on technology continues to increase, resulting in staff emitting less GHG emissions by not commuting to the office.



Financing Growth Principles

A key principle in accommodating the Region's growth-related capital infrastructure program is that existing taxpayers are not affected, to the extent possible under the DCA, by the cost of growth-related capital requirements or the risks related to financing these costs. To achieve this objective while accommodating Provincial growth targets, Regional Council requires a financing plan be approved prior to the accommodation of new growth. The 2020 Development Financing Plan approved in [Report No. FN-46-19/PW-50-19/LPS-112-19](#) re: 2020 Allocation Program Options and discussed in [Report No. LPS-74-20](#) re: 2020 Allocation Program Update includes the release of 18,743 Single- Detached Equivalents (SDEs) in Halton. Allocation Programs are designed to receive DCs early in order to ensure financing is available when needed for timely delivery of infrastructure. As such, the Region's DC reserve balances are low and approximate \$7 million as money is spent to match timing of DCs required for capital to support growth.

Bill 23, *More Homes Built Faster Act*, 2022, was introduced in the Ontario Legislature on October 25, 2022 and on November 28, 2022 received Royal Assent and is now law. As discussed in [Report No. LPS-72-22/ FN-34-22](#) re: Proposed Changes to the Provincial Planning Framework – Bill 23 and More Homes, Built Faster: Ontario's Housing Supply Action Plan, this Act is the latest in a series of Provincial initiatives related to increasing the supply of housing in Ontario to support the creation of 1.5 million homes over the next 10 years. The bill includes changes to a range of legislation, including the DCA and associated regulations.

Bill 23, *More Homes Built Faster Act, 2022*, contains considerable changes to the DCA that will impact municipal finances, particularly in growing municipalities such as Halton Region. The majority of changes result in the reduction of DC revenue being collected. Removing DC chargeable items, providing exemptions and discounts will reduce the amount of DC collection and the ability to fund capital works. Without alternate sources of funding, the changes to the DCA will significantly impact the timing of delivery of infrastructure required to deliver the Province's 1.5 million new homes target and will have a significant negative impact on existing taxpayers.

As part of the 2022 DC update process, prior to the changes as a result of Bill 23, *More Homes Built Faster Act, 2022*, staff identified and updated the capital costs that are not being recovered from growth based on this principle. Based on the analysis, the Region's DC revenues are estimated to be, at minimum, \$15.5 million per year (5.4 per cent tax impact) lower than a calculation based on a "growth pays for growth" principle. Changes as a result of Bill 23, *More Homes Built Faster Act, 2022*, in the absence of Provincial money or mitigating strategies, are estimated to be approximately an additional \$190 million over 10 years or \$19 million per year (6.5 per cent tax impact) for the 5-year phase in of DC rate increases, removal of housing from eligible services and the exclusions of the cost of studies from recovery through DCs. Some items such as exclusion of studies and extension of historical service standards will not have an impact until the Region's next DC by-law is passed. Further to these identified Bill 23 impacts, there are additional impacts that require further analysis or information from the Province. For example, the affordable and attainable housing impacts will be very dependent on the affordable and attainable housing bulletins that the Province will release.

Regional staff will look at every opportunity to lessen any impacts on taxpayers while keeping service standards at an acceptable level and fulfilling the local housing pledge targets.



Operating Results Highlights

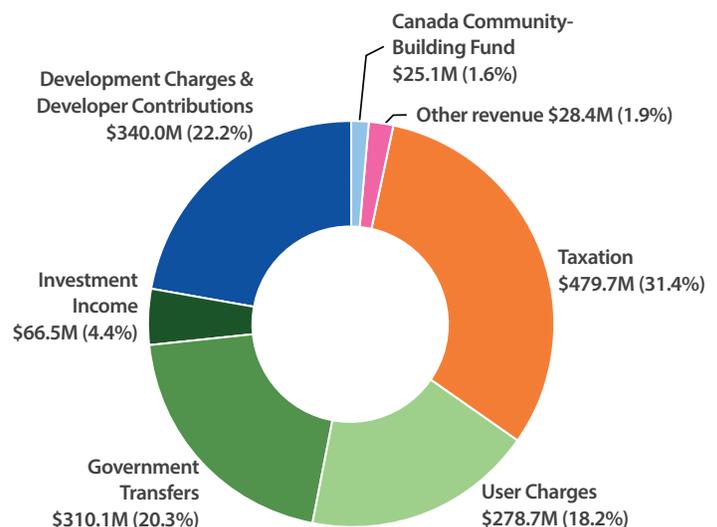
The consolidated financial statements reflect the assets, liabilities, revenues and expenses of all entities that are accountable to and controlled by Halton Region. They include the activities of all committees of Regional Council, Halton Regional Police Service and the Halton Community Housing Corporation (HCHC).

The Consolidated Statement of Operations summarizes the revenues and expenses for 2022. The focus of this statement is net revenues, which is the difference between revenues of \$1.53 billion and operating expenses of \$1.1 billion for the 2022 reporting period. Halton Region reported net revenues of \$476 million in 2022, compared to \$351 million in 2021.

Net revenues are required to fund future capital replacement, finance current tangible capital assets acquisitions and fund debt principal repayments, which are included in the annual budget. The following pie chart provides a summary of the source of revenue used to fund Halton Region's operations and capital investments. Overall, revenue increased by \$230 million, or 17.7 per cent, mainly from developer contributions.

Expenses in the Consolidated Statement of Operations totaled \$1.05 billion in 2022, increasing by \$104 million (or 11 per cent) from 2021. This increase was mainly driven by the increase in both Social Services and Transportation Services to support the Canada-Wide Early Learning and Child Care (CWELCC) agreements and additional road resurfacing around the Region, respectively.

2022 Halton Region Consolidated Revenues
Total \$1.53 Billion



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The following provides a summary of services provided to the community for these expenses by program.



Social and community services

Operations of \$243.2 million

- financial assistance to an average of 1,862 residents in Halton through Ontario Works per month
- child care fee assistance to 4,997 children
- increase of 1,332 licensed child care spaces within Halton Region from 30,703 to 32,035
- direct care and service to older adults through 572 beds at Regionally operated long-term care homes
- funding for 76 community projects and programs through the Halton Region Community Investment Fund using one-year and multi-year funds for a total of \$3.8 million



Water and wastewater services

Operations of \$223.3 million

- treatment of more than 67 million cubic metres of water and 86 million cubic metres of wastewater
- operation and maintenance of 12 water treatment plants (treatment provided prior to distribution), 22 municipal wells, six wastewater treatment plants and one biosolids facility
- operation and maintenance of more than 2,369 kilometres of water mains, seven bulk water stations, 22 reservoirs and storage facilities, 15 booster stations, more than 1,984 kilometres of wastewater mains and 83 pumping stations



Social housing

Operations of \$73.6 million

- oversight of 5,152 housing units, of which 2,210 are directly operated by Halton Community Housing Corporation
- rental assistance from Halton Region for 1,157 units and 3,523 units through housing providers
- 1,021 additional community housing opportunities created from 2013 to 2022



Solid waste services

Operations of \$50.4 million

- collection and disposal of 94,824 tonnes of residential garbage and the diversion of 125,056 tonnes of residential Blue Box and organic materials, representing a 57.0 per cent residential diversion rate

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Health services

Operations of \$121.7 million

- ambulance services through the deployment of 27 emergency vehicles and 237 paramedics
- answered 57,957 paramedic calls and transported 35,136 patients
- distributed 111,920 influenza vaccines to community partners (excluding pharmacies)
- completed 4,243 inspections of food premises
- administration of 216,833 COVID-19 vaccines at Public Health mass clinics

Protection to persons and property

Police, emergency management and Conservation Authorities

Operations of \$200.6 million

- police services through the deployment of 776 police officers
- emergency services for the operation of 911 call centre, which received 158,678 emergency calls
- contributions to Conservation Halton (with an area of 1,059 km², 26 km of shoreline and eight conservation areas), Grand River Conservation Authority (with an area of 6,800 km² and 12 conservation areas) and Credit Valley Conservation (with an area of 1,000 km² and 11 conservation areas)



Transportation services

Operations of \$70.6 million

- maintenance of 1,159 lane kilometres of roadway (kilometres multiplied by the number of lanes), 66 per cent of which were rated as good to very good condition
- maintenance and operation of 91 bridges, 219 major culverts, 279 signalized intersections and 7,086 streetlights

Other services

General government, planning and development, and recreation and cultural services

Operations of \$68.7 million

- in 2022, Regional Council approved 165 staff reports and 49 by-laws for a total of 214 documents
- for planning purposes, Halton has 33,592 hectares of land designated for development

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Financial Statement to Budget Comparison

The purpose of the consolidated financial statements is to provide users with an understanding of the financial position and operating results of Halton Region over the fiscal period. The annual consolidated financial statements of Halton Region are prepared on a full accrual basis in accordance with the Canadian public sector accounting standards (PSAS), as prescribed by the Chartered Professional Accountants of Canada. These accounting standards require Halton Region to record revenue when it is earned and expenses when incurred, regardless of when the funds are received or paid.

Accrual accounting requires tangible capital assets, which provide services for longer than one year, to be recorded at cost in the consolidated financial statements when they are placed into service. Each year, the book value of these long-lived assets is reduced by recording amortization expenses, which represents the cost of services provided by the asset during the year. In addition, transfers to reserves and debt principal repayments are not recorded as expenses in the consolidated financial statements, representing a difference from the Regional Council-approved operating budget.

The key purpose of the budget is to set property taxes and utility rate fees to fund Regional programs, services and infrastructure to ensure the long-term financial sustainability of Halton Region and debt repayment. Debt financing is used, as necessary, in accordance with Regional policies to finance major infrastructure projects. As the Regional operating budget is prepared on a modified accrual basis, transfers to reserves and debt principal repayments are considered as expenditures in the budget.

In addition, the full cost of acquiring tangible capital assets is included in the capital budget to ensure sufficient funding is in place. Other items that are not recorded on an accrual basis in the budget include expenses for employee future benefits, liabilities for contaminated sites and the post-closure landfill liability.

Due to the differences in purpose and methodology, Halton Region adjusts the presentation of the budget figures from a modified accrual basis to a PSAS accrual basis as part of the consolidated financial statement preparation and to provide transparency for budgetary performance. The details of the adjustments are included in Note 18 to the Consolidated Financial Statements. The full accrual budget is also included in the Consolidated Statement of Operations and the Consolidated Statement of Change in Net Financial Assets.

When comparing the adjusted operating PSAS accrual-based budget to actual operating results, actual net revenues are higher than the budgeted amount by \$45.4 million. The favourable

variance to budgeted net revenues was primarily driven by higher than anticipated investment income from interest earned and capital gains, as well as higher user charges related mostly to utilities' revenue due to higher consumption.

Accountability and Transparency

Financial management and control

The financial management and control at Halton Region is largely governed through by-laws that prescribe purchasing, accounting, investment and risk management procedures, as well as debt policy. Regional Council has sole authority to allocate funds through the annual approval of the operating and capital budgets.

The Finance Department is responsible for advising program areas as well as providing oversight of the approved budget, financial policies and procedures. The Finance Department is also responsible for maintaining accurate and reliable financial records, the safeguarding of Regional assets and various reporting functions, including budget variance reports presented to Regional Council on a periodic basis (which are available for public review).

The Internal Audit team at Halton Region performs independent audits of systems, processes and controls to ensure compliance with Regional and legislated policies and by-laws. The internal audits assess efficiencies and risks and identify recommendations for improvement, which are communicated to programs for implementation. Summary findings are also communicated to Council through the Audit Committee.

The *Municipal Act, 2001* requires Halton Region to engage independent auditors to express an opinion as to whether the consolidated financial statements present fairly the Region's financial position and operating results. In fulfilling this duty, the external auditors are provided full access to all Halton Region records and transactions and meet periodically with staff to address matters arising from the audit or from new policies and procedures introduced during the fiscal year. Prior to their submission to Halton Regional Council's Audit Committee, the consolidated financial statements are examined by Halton Region's external auditors, Deloitte LLP.

The external auditors performed an audit of the consolidated financial statements in accordance with Generally Accepted Auditing Standards, and expressed an unqualified opinion that the consolidated financial statements "present fairly, in all material respects" Halton Region's financial position. The auditors are responsible for advising Halton Region management and the Audit Committee of significant control or operational issues that may be identified during their audit procedures.

Treasurer's Report

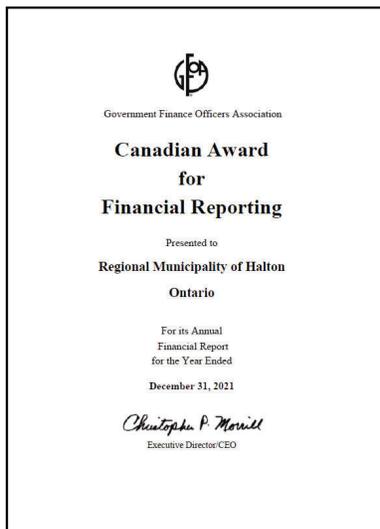
The role of the Audit Committee is to assist Regional Council in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control and the audit process. The Audit Committee also provides a high level of public accountability and assurance that municipal services are administered in an efficient, effective and economical manner.

Throughout the year, the external auditors meet periodically with management to approve the scope and timing of audit-specific activities and to review any findings and recommendations.

Awards for Financial Reporting and Budget Presentation

The Region's commitment to developing fiscally responsible budgets and presenting financial information to Halton Region tax and rate payers in a clear and easy-to-understand format was recognized by the Government Finance Officers Association of the United States and Canada.

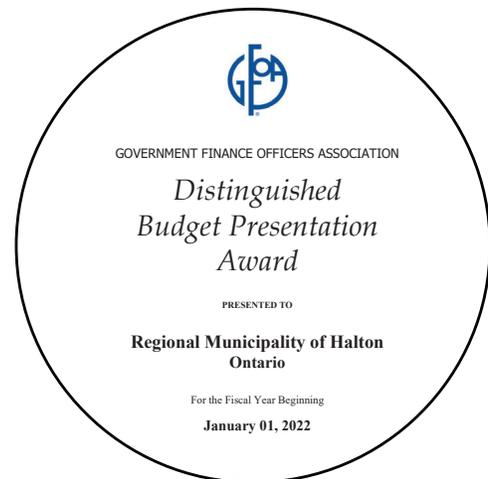
Regional Municipality of Halton was awarded the Canadian Award for Financial Reporting for its Annual Financial Report for the fiscal year ended **December 31, 2021**. This is the 16th year the Region has received this award. To receive the Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized Annual Financial Report, including content that conforms to program standards.



Such reports should go beyond the minimum requirements of Generally Accepted Accounting Principles and demonstrate an effort to clearly communicate the municipal government's financial picture, address user needs and enhance user understanding of municipal financial reporting.

The Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the program requirements, and we are submitting it to the GFOA for consideration.

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Regional Municipality of Halton**, Ontario, for its Annual Budget for the fiscal year beginning **January 1, 2022**. In order to receive the Distinguished Budget Presentation Award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This award is valid for a period of one year only. This award reflects the commitment of Regional Council, management and staff to meet the highest standards of governmental budgeting. Halton Region has received the award for 18 consecutive years, representing a significant achievement in budget development and reporting.



Conclusion

Halton Region's strong financial position is the result of prudent fiscal management through balanced financial policies, stringent internal controls and accurate, timely and relevant financial reporting. As the Region continues its focus on governing for the future while facing the lingering impact of the COVID-19 pandemic, Halton Region will ensure continued financial sustainability through effective financial planning and keep risk management as a key priority to maintain a strong sustainable long-term financial position.

Cyndy Winslow
Commissioner of Finance and Regional Treasurer
May 24, 2023



Consolidated Financial Statements

For the year ended December 31, 2022

Management Report

The management of The Regional Municipality of Halton has prepared the accompanying consolidated financial statements and is responsible for their accuracy and integrity. These financial statements consolidate all operations for which Halton Region has legislative and financial responsibility, as well as the operations of the Halton Regional Police Service and Halton Community Housing Corporation.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The adoption of these standards provides the reader of the consolidated financial statements a more complete view of Halton Region's assets and financial obligations. The reader is encouraged to review the summary of the significant accounting policies that are disclosed in Note 1 to the consolidated financial statements.

To meet its responsibility, management has developed and maintained a comprehensive system of financial and internal controls, which includes an organizational structure that appropriately segregates authorization and recording functions, employs highly qualified professional staff and is built on sound budget policies, all of which are subject to a continuing program of internal audit. These controls ensure that the assets of Halton Region are properly safeguarded and that the business transactions of Halton Region are carried out within the legislative authority of the Province of Ontario and within the policies authorized by Regional Council, and that these transactions are completely and accurately reflected in Halton Region's consolidated financial statements and reports.

The Audit Committee of Regional Council reviews and approves the consolidated financial statements before such statements are submitted to Regional Council and published for the residents of Halton Region. As mandated by resolution of Council, the internal and external auditors have access to and regularly meet with the Audit Committee to discuss their audits and the results of their examination.

The 2022 consolidated financial statements have been examined by Halton Region's external auditors, Deloitte LLP, Chartered Professional Accountants, Licensed Public Accountants and their report precedes the consolidated financial statements.



Cyndy Winslow
Commissioner of Finance and Regional Treasurer
May 24, 2023

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
the Regional Municipality of Halton

Opinion

We have audited the consolidated financial statements of the Regional Municipality of Halton, which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations, change 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 (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Regional Municipality of Halton as at December 31, 2022, and the consolidated results of its operations, consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Regional Municipality of Halton in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

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

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

Those charged with governance are responsible for overseeing the Regional Municipality of Halton's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS 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 GAAS, 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 Regional Municipality of Halton'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 Regional Municipality of Halton'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 Regional Municipality of Halton to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Regional Municipality of Halton to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
May 24, 2023

Consolidated Statement of Financial Position

As at December 31, 2022

(Dollars in Thousands)

FINANCIAL ASSETS	2022	2021
Cash and cash equivalents	\$208,899	\$367,729
Accounts receivable:		
Water and wastewater	45,685	42,649
Government Transfers	26,275	21,281
Other receivables	38,918	33,725
Other current assets	1,198	463
Investments (Note 2)	2,923,667	2,523,340
Loans receivable (Note 6)	4,669	4,831
Recoverable gross long-term debt from:		
Local Municipalities (Note 4)	235,323	232,880
Total financial assets	3,484,634	3,226,898
LIABILITIES		
Accounts payable and accrued liabilities (Notes 2 and 8)	392,021	363,802
Gross long-term liabilities (Note 4)	199,588	213,464
Sinking fund debentures (Note 4)	273,500	273,500
Deferred revenue (Note 10)	304,935	325,465
Landfill closure and post-closure liabilities (Note 11)	16,089	15,034
Employee future benefits liabilities (Note 13)	98,455	91,972
Total liabilities	1,284,588	1,283,237
NET FINANCIAL ASSETS	2,200,046	1,943,661
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 3)	5,759,598	5,542,585
Prepaid expenses	3,189	2,533
Inventories	7,979	5,831
Total non-financial assets	5,770,766	5,550,949
ACCUMULATED SURPLUS (Note 15)	\$7,970,812	\$7,494,610

Commitments and contractual obligations (Note 7)

Contingent liabilities (Note 8)

Contingent assets (Note 9)

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Operations

For the year ended December 31, 2022
(Dollars in Thousands)

REVENUES (Note 17)	2022 Budget (Note 18)	2022	2021
Taxation	\$480,379	\$479,747	\$464,863
Development charges and developer contributions	339,962	339,962	195,577
User charges	269,658	278,681	259,476
Government transfers	274,643	310,058	281,786
Canada Community-Building Fund (formerly Federal Gas Tax)	17,394	25,060	14,207
Investment income	53,357	66,484	65,165
Other revenue	27,573	28,386	17,789
Total revenues	1,462,966	1,528,378	1,298,863
EXPENSES (Note 17)			
General government	45,258	45,892	54,735
Social and community services	248,099	243,161	193,119
Social housing	70,340	73,585	58,335
Water and wastewater services	224,100	223,327	202,480
Solid waste services	48,409	50,435	46,625
Protection services	202,755	200,646	191,609
Health services	98,871	121,718	128,158
Transportation services	70,510	70,589	53,493
Planning and development	21,894	21,244	18,232
Recreation and cultural services	1,963	1,579	1,546
Total expenses	1,032,199	1,052,176	948,332
NET REVENUES	430,767	476,202	350,531
ACCUMULATED SURPLUS, BEGINNING OF YEAR	7,494,610	7,494,610	7,144,079
ACCUMULATED SURPLUS, END OF YEAR	\$7,925,377	\$7,970,812	\$7,494,610

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2022

(Dollars in Thousands)

	2022 Budget (Note 18)	2022	2021
Net revenues	\$430,767	\$476,202	\$350,531
Acquisition of tangible capital assets	(375,294)	(375,294)	(286,002)
Amortization of tangible capital assets	143,789	143,789	137,719
Loss on disposal of tangible capital assets	1,387	1,387	4,443
Proceeds on disposal of tangible capital assets	13,105	13,105	1,911
Change in inventory and prepaid expenses	(2,804)	(2,804)	(282)
Change in net financial assets	210,950	256,385	208,320
NET FINANCIAL ASSETS, BEGINNING OF YEAR	1,943,661	1,943,661	1,735,341
NET FINANCIAL ASSETS, END OF YEAR	\$2,154,611	\$2,200,046	\$1,943,661

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows

For the year ended December 31, 2022

(Dollars in Thousands)

Cash provided by (used in):	2022	2021
OPERATING ACTIVITIES		
Net revenues	\$476,202	\$350,531
Items not involving cash:		
Amortization	143,789	137,719
Loss on disposal of tangible capital assets	1,387	4,443
Contributed tangible capital assets	(1,435)	(1,324)
Change in non-cash assets and liabilities:		
Accounts receivable	(13,223)	(7,031)
Other current assets	(735)	(13)
Accounts payable and accrued liabilities	28,219	52,324
Deferred revenue	(20,530)	110,929
Inventory and prepaid expenses	(2,804)	(282)
Landfill and post-closure liabilities	1,055	(1,237)
Employee future benefits liabilities	6,483	7,372
Net change in cash and cash equivalents from operating activities	618,408	653,431
CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	13,105	1,911
Cash used to acquire tangible capital assets	(373,859)	(284,678)
Net change in cash from capital activities	(360,754)	(282,767)
INVESTING ACTIVITIES		
Loans receivable	162	48
Investments	(400,327)	(471,181)
Net change in cash and cash equivalents from investing activities	(400,165)	(471,133)
FINANCING ACTIVITIES		
Long-term debt issued and assumed	40	41
Long-term debt repaid	(13,988)	(14,763)
Mortgage repayments	(5,040)	(4,929)
Sinking fund contributions from Local Municipalities	2,669	2,580
Net change in cash and cash equivalents from financing activities	(16,319)	(17,071)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(158,830)	(117,540)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	367,729	485,269
CASH AND CASH EQUIVALENTS, END OF YEAR	\$208,899	\$367,729

The accompanying notes are an integral part of these Consolidated Financial Statements.

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

The Corporation of the Regional Municipality of Halton (Regional Municipality of Halton or Halton Region) is an upper-tier municipality in the Province of Ontario ("Province"), Canada. It conducts its operations guided by the provisions of provincial statutes such as the *Municipal Act 2001*, *Planning Act*, *Building Code Act*, *Provincial Offences Act* and other related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidated Statements

The consolidated financial statements for Halton Region have been prepared in accordance with Canadian public sector accounting standards (PSAS), as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada"). Significant accounting policies adopted by Halton Region are as follows:

(b) Basis of consolidation

The consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of all entities which are accountable to and controlled by Halton Region. They include the activities of all committees of Council and Boards, Halton Regional Police Service and the Halton Community Housing Corporation (HCHC). All interdepartmental and inter-organizational assets and liabilities and revenues and expenses have been eliminated. Halton Region owns 100% of HCHC and this entity is reported using the consolidated basis method, where inter-company transactions and balances between HCHC and Halton Region are eliminated.

The financial activities of the Royal Botanical Gardens and the Conservation Authorities are excluded from these consolidated financial statements, except to the extent of Halton Region's contributions to these entities.

The Sinking Fund, established for the retirement of Sinking Fund debentures issued by Halton Region, is administered by Halton Region.

Trust funds which are administered by Halton Region are not included in these consolidated financial statements but are reported separately in Note 16.

(c) Basis of accounting

i. Basis of accounting

Halton Region follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

ii. Foreign currency translation

Gains and losses on foreign currency transactions are charged to operations when they are realized.

iii. Deferred revenue

Deferred revenue represents revenues which have been collected or are receivable but for which the related services have yet to be performed or eligible expenditures incurred. Deferred revenue is comprised of general deferred revenue, development charges and the Canada Community-Building Fund (formerly Federal Gas Tax). Government transfers, such as the Canada Community-Building Fund (formerly Federal Gas Tax) are recognized when the transfer can be reasonably estimated, is authorized and has met eligibility criteria if required. Development charges and other externally restricted funds are recognized as revenue when the funds are spent for the purpose intended.

iv. Amortization methods

The cost, less residual value, of tangible capital assets is amortized on a straight-line basis over their estimated useful lives. Estimated useful lives for major categories of tangible capital assets are as follows:

General capital:

Buildings and building improvements	5 to 95 years
Computer hardware	3 to 10 years
Computer software	3 to 10 years

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land	Not amortized
Land improvements	5 to 70 years
Leasehold improvements	Based on lease term
Machinery and equipment	5 to 60 years
Vehicles	3 to 15 years

Infrastructure:

Buildings and building improvements	5 to 60 years
Land	Not amortized
Land improvements	10 to 25 years
Linear	11 to 90 years
Machinery and equipment	5 to 50 years

For vehicles, computer hardware and software tangible capital assets, one half of a full year's amortization is charged in the year of acquisition and in the final year of useful life. Land tangible capital assets are not amortized. For all other tangible capital assets amortization is calculated on a straight-line basis and commences in the year following acquisition, with a full year's amortization charged in the final year of useful life. No amortization is calculated for assets not in service or under construction until they are available to be put into service.

v. Contributed tangible assets

All assets contributed to Halton Region are valued at the fair value of the assets at the time of contribution. Revenue at an equal amount is recognized at the time of contribution.

vi. Excluded assets

Intangible assets, works of art, historical treasures, crown lands and natural resources have not been recorded as a reasonable estimate cannot be made and therefore are not recognized on the Consolidated Statement of Financial Position.

vii. Interest on debt to construct tangible capital assets

All interest on debt incurred during construction of related tangible capital assets is expensed in operations in the year incurred.

viii. Contaminated sites

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the organization is directly responsible or accepts responsibility for the liability;
- future economic benefits will be given up; and,
- a reasonable estimate of the liability can be made.

ix. Inventories

Inventories are valued at the lower of cost and net realizable value.

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

x. Reserves and Discretionary reserve funds

Halton Region follows the practice of allocating interest income and current net revenues into reserves and discretionary reserve funds that are retained for specific purposes, including maintaining assets in a state-of-good-repair. These reserves and discretionary reserve funds are established by Council resolution or by by-law and are available for future uses. Amounts are only expended in accordance with the terms and policies established by Council.

Balances appropriated in respect of items for which the reserves and discretionary reserve funds have been created are included in accumulated surplus and are reported in Note 15.

xi. Government transfers

Government transfers are recognized as revenue in the consolidated financial statements when the transfer is authorized, all eligibility criteria are met (if applicable) and a reasonable estimate of the amount can be made except, when and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished. Major categories of government transfers are reported in Note 17.

xii. Investments

Investments consist of fixed income securities issued by Canadian governments, banks and corporations as well as money market bond funds and are carried at cost. When there has been a loss in market value that is not determined to be a temporary decline, the respective investment is written down to recognize the loss. Gains and losses on investments are recorded when incurred and interest is recorded when received or receivable. Discounts and premiums are amortized using the effective interest method. Sinking fund investments are managed as part of Halton Region's overall investment strategy and are included as investments on the Consolidated Statement of Financial Position.

xiii. Use of estimates

The preparation of consolidated financial statements, in conformity with PSAS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant estimates relate to accounts receivable, accrued liabilities, landfill closure and post-closure liabilities, employee future benefits and post-employment liabilities and certain expenses.

Estimates are based on information available to management at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates.

xiv. Loans receivable

The loans receivable are valued at cost. Recoverability is assessed annually and a valuation allowance is recorded when recoverability has been impaired. The loans receivable are written off when they are no longer recoverable. Recoveries of loans receivable previously written off are recognized in the year received. Interest revenue is recognized as it is earned. Loans receivable are reported in Note 6.

xv. Cash and cash equivalents

Cash and cash equivalents include short-term investments with a term to maturity of 90 days or less at acquisition.

xvi. Tax revenue

Property tax revenue is recognized on an accrual basis when the tax is authorized by the passing of the tax levy by-law. Taxes are levied on properties listed on the assessment roll and are based on the approved budget. Supplementary taxation is recognized when additional billings are issued for properties that are added to the assessment roll during the year.

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At year-end, Halton Region evaluates the likelihood of having to repay taxes as a result of tax appeals or other changes and recognized a liability if the amount can be reasonably estimated.

xvii. Landfill closure and post-closure liabilities

The costs to close an existing landfill site and to maintain closed landfill sites are based on the future estimated expenditures required over a 40-year period, discounted using Halton Region's long-term borrowing rate. These costs are reported as a liability on the Consolidated Statement of Financial Position. This liability is amortized using the units of production method based upon capacity used during the year.

xviii. Pensions and employee future benefits liabilities

Halton Region accounts for its participation in the Ontario Municipal Employees Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan.

Vacation entitlements are accrued for as entitlements are earned.

Other post-employment benefits and compensated absences liabilities are accrued in accordance with the projected benefit method pro-rated on service and management's best estimate of salary escalation and retirement ages of employees. Actuarial valuations, where necessary for accounting purposes, are performed triennially. The discount rate used to determine the accrued benefit obligation was determined by reference to Halton Region's cost of borrowing. Unamortized actuarial gains/losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups. Unamortized gains/losses for event triggered liabilities, such as those determined as claims related to the Workplace Safety and Insurance Board (WSIB), are recognized when determined.

Costs related to prior-period employee services arising from plan amendments are recognized in the period in which the plan is amended.

Halton Region has set aside reserve funds intended to fund certain of these obligations, either in full or in part. These reserve funds were created under municipal by-law and do not meet the definition of a plan asset under *PS 3250 Retirement Benefits*. Therefore, for the purposes of these consolidated financial statements, the plans are considered unfunded.

xix. Canadian Public Sector Accounting standards issued but not yet adopted

The standards noted below were not in effect for the year ended December 31, 2022, and therefore, have not been applied in preparing these consolidated financial statements. Management is assessing the impact of these standards on future statements.

Standards applicable for fiscal years beginning on or after April 1, 2022:

Topic	Description
Section PS 1201 - Financial statement presentation	This Section establishes general reporting principles and standards for the disclosure of information in government financial statements.
Section PS 2601 - Foreign currency translation	This Section establishes standards on how to account for and report transactions that are denominated in a foreign currency in government financial statements.
Section PS 3280 - Asset retirement obligations	This Section establishes standards on how to account for and report a liability for asset retirement obligations.
Section PS 3041 - Portfolio investments	This Section establishes standards on how to account for and report portfolio investments in government financial statements.
Section PS 3450 - Financial instruments	This Section establishes standards on how to account for and report all types of financial instruments including derivatives.

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards applicable for fiscal years beginning on or after April 1, 2023:

Topic	Description
Section PS 3400- Revenue	This Section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.
Section PSG 8 - Purchased intangibles	This Section establishes standards on how to account for and report purchased intangible assets.
Section PS 3160 - Public private partnerships	This Section establishes standards on how to account and report for public private partnership between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

2. INVESTMENTS

Halton Region's investment policy as approved by the Regional Council has an emphasis on the preservation and safety of capital while ensuring the liquidity of funds needed to meet Halton Region's obligations.

	2022		2021	
	Cost	Market Value	Cost	Market Value
Investments	\$2,923,667	\$2,680,309	\$2,523,340	\$2,552,676

In addition, Halton Region includes in its investment portfolio a balance of \$106,209 (2021 - \$103,860) which is restricted, as the funds are those of a Local Municipality. These funds are included within Accounts Payable and Accrued Liabilities in the Consolidated Statement of Financial Position.

3. TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost on the Consolidated Statement of Financial Position. Halton Region has tangible capital assets with a net book value of \$615,084 (2021 - \$348,246) that are not being amortized as they are under construction. During the year there were no write-downs of assets (2021 - \$nil). Roads and underground water and sewer systems in the amount of \$1,435 (2021 - \$1,324) were contributed to Halton Region and were recorded at their fair value at the time of contribution. Halton Region has no tangible capital assets recognized at a nominal value. As per Halton Region's policy, there was no interest capitalized during the year (2021 - \$nil). Halton Region owns various works of art and historical treasures that have not been included as tangible capital assets and therefore, are not recognized on the consolidated financial statements. These items are categorized as Museum Historical Artifacts or Museum Archival Materials.

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

3. TANGIBLE CAPITAL ASSETS (CONTINUED)

The following tables summarize tangible capital asset balances by category for the years 2022 and 2021:

Asset Type	Opening Balance	Additions/ (Transfers)	Disposals	Ending Balance	Opening Accumulated Amortization Balance	Amortization	Disposals	Ending Accumulated Amortization Balance	Ending Net Book Value
	01-Jan-22			31-Dec-22	01-Jan-22			31-Dec-22	31-Dec-22
General									
Buildings and building improvements	\$294,416	\$5,614	\$-	\$300,030	\$127,532	\$8,078	\$-	\$135,610	\$164,420
Computer hardware	43,961	3,693	698	46,956	24,380	5,644	698	29,326	17,630
Computer software	19,863	803	-	20,666	16,492	1,177	-	17,669	2,997
Land	201,545	4,901	302	206,144	-	-	-	-	206,144
Land improvements	78,044	1,472	-	79,516	41,860	1,896	-	43,756	35,760
Leasehold improvements	4,925	-	-	4,925	3,556	159	-	3,715	1,210
Machinery and equipment	231,747	4,283	205	235,825	134,391	7,673	195	141,869	93,956
Vehicles	36,242	5,873	1,920	40,195	22,755	3,892	1,672	24,975	15,220
Total general capital	910,743	26,639	3,125	934,257	370,966	28,519	2,565	396,920	537,337
Infrastructure									
Buildings and building improvements	612,327	1,063	1,547	611,843	191,046	12,677	307	203,416	408,427
Land	319,201	25,441	2,908	341,734	-	-	-	-	341,734
Land improvements	141,078	8,617	141	149,554	68,784	4,717	122	73,379	76,175
Linear	4,355,875	36,259	24,112	4,368,022	997,986	65,459	15,983	1,047,462	3,320,560
Machinery and equipment	854,026	10,437	4,829	859,634	370,129	32,417	3,193	399,353	460,281
Total infrastructure	6,282,507	81,817	33,537	6,330,787	1,627,945	115,270	19,605	1,723,610	4,607,177
Assets under construction	348,246	266,838	-	615,084	-	-	-	-	615,084
Total tangible capital assets	\$7,541,496	\$375,294	\$36,662	\$7,880,128	\$1,998,911	\$143,789	\$22,170	\$2,120,530	\$5,759,598

Notes to Consolidated Financial Statements

For the year ended December 31, 2022

(Dollars in Thousands)

3. TANGIBLE CAPITAL ASSETS (CONTINUED)

Asset Type	Opening Balance 01-Jan-21	Additions/ (Transfers)	Disposals	Ending Balance 31-Dec-21	Opening Accumulated Amortization Balance 01-Jan-21	Amortization	Disposals	Ending Accumulated Amortization Balance 31-Dec-21	Ending Net Book Value 31-Dec-21
General									
Buildings and building improvements	\$293,967	\$1,252	\$803	\$294,416	\$120,187	\$8,143	\$798	\$127,532	\$166,884
Computer hardware	38,235	6,865	1,139	43,961	20,326	5,193	1,139	24,380	19,581
Computer software	19,796	1,329	1,262	19,863	16,452	1,302	1,262	16,492	3,371
Land	190,635	11,048	138	201,545	-	-	-	-	201,545
Land improvements	77,152	892	-	78,044	39,771	2,089	-	41,860	36,184
Leasehold improvements	4,901	24	-	4,925	3,351	205	-	3,556	1,369
Machinery and equipment	229,910	2,869	1,032	231,747	128,007	7,388	1,004	134,391	97,356
Vehicles	35,579	3,161	2,498	36,242	21,174	3,800	2,219	22,755	13,487
Total general capital	890,175	27,440	6,872	910,743	349,268	28,120	6,422	370,966	539,777
Infrastructure									
Buildings and building improvements	588,960	23,607	240	612,327	178,880	12,383	217	191,046	421,281
Land	296,606	25,344	2,749	319,201	-	-	-	-	319,201
Land improvements	125,819	15,316	57	141,078	64,601	4,278	95	68,784	72,294
Linear	4,201,606	161,858	7,589	4,355,875	940,710	61,890	4,614	997,986	3,357,889
Machinery and equipment	840,916	13,728	618	854,026	339,504	31,048	423	370,129	483,897
Total infrastructure	6,053,907	239,853	11,253	6,282,507	1,523,695	109,599	5,349	1,627,945	4,654,562
Assets under construction	329,537	18,709	-	348,246	-	-	-	-	348,246
Total tangible capital assets	\$7,273,619	\$286,002	\$18,125	\$7,541,496	\$1,872,963	\$137,719	\$11,771	\$1,998,911	\$5,542,585

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

4. LONG-TERM LIABILITIES

The use of long-term liabilities to finance capital expenditures is governed by Provincial legislation. Provincial legislation gives Halton Region exclusive authority to issue long-term debt for both Halton Region and local municipal purposes. The legislation also permits Halton Region to issue debt on behalf of the Halton District School Board and the Halton Catholic District School Board, at the request of these Boards. The responsibility for raising the amounts required to service these liabilities lies with the respective Local Municipalities, School Boards and Halton Region. The debentures are direct, joint and several obligations of Halton Region and all its Local Municipalities.

Halton Region has purchased \$4,997 (2021 - \$2,040) of its own debentures which have not been cancelled. This investment in own debentures is included in the investments on the Consolidated Statement of Financial Position. The gross outstanding principal amount from these debentures for 2022 is \$273,500 (2021 - \$169,016).

Long-term liabilities, reported on the Consolidated Statement of Financial Position, are comprised of the following:

	2022	2021
Long-term liabilities incurred by Halton Region	\$170,485	\$179,321
Mortgages payable by HCHC	29,103	34,143
Subtotal gross long-term liabilities	199,588	213,464
Sinking fund debentures	273,500	273,500
Total long-term liabilities incurred by Halton Region	473,088	486,964
Less recoverable from Local Municipalities:		
Long-term debentures	147,262	142,150
Sinking Fund debentures	88,061	90,730
Subtotal Local Municipalities	235,323	232,880
Less cumulative Sinking Fund contributions from Local Municipalities	16,939	14,270
Net long-term liabilities at year end	\$220,826	\$239,814

Sinking Fund debentures consist of the following amounts:

Sinking Fund #148 11 was issued on October 11, 2011 for a 30-year term and total value of \$106,000.

	2022	2021
Opening earnings	\$19,816	\$17,453
Halton Region contributions	1,827	1,827
Interest earned	592	536
Sinking Fund #148-11 earnings to date	\$22,235	\$19,816

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

4. LONG-TERM LIABILITIES (CONTINUED)

Sinking Fund #43-15 was issued on April 6, 2015 for a 30-year term and total value of \$167,500. Halton Region's portion is \$62,500, while \$90,000 was borrowed on behalf of the Town of Oakville and \$15,000 for the Town of Milton.

	2022	2021
Opening earnings	\$22,761	\$18,647
Halton contributions	1,262	1,261
Oakville contributions	1,816	1,816
Milton contributions	303	303
Interest earned	878	734
Sinking Fund #43-15 earnings to date	\$27,020	\$22,761

Halton Region's long-term liabilities at the end of the year are to be recovered from:

	2022	2021
Property taxes – general purpose levy	\$53,842	\$57,822
Water	25,820	32,509
Wastewater	20,318	23,195
Development charges	120,846	126,288
Net long-term liabilities at year end	\$220,826	\$239,814

5. CHARGES FOR LONG-TERM LIABILITIES

The charges for the year required to service the long-term liabilities are:

	2022	2021
Gross principal repayment	\$39,468	\$43,678
HCHC mortgages	5,040	4,929
Less amounts recovered	(25,480)	(28,915)
Net principal	19,028	19,692
Gross interest paid	14,222	14,727
HCHC mortgages	870	952
Less amount recovered	(7,999)	(7,991)
Net interest	7,093	7,688
Total net principal and interest	\$26,121	\$27,380

Debentures bear interest at rates ranging from 0.50% (2021 - 0.30%) to 5.50% (2021 - 5.50%). Mortgages of \$29,103 (2021 - \$34,143) on the properties of HCHC are secured by a first charge on the assets of HCHC with amortization periods ranging between 10 and 30 years and interest rates ranging between 0.74% (2021 - 0.74%) and 5.94% (2021 - 5.94%).

Net interest on long-term liabilities identified above, are included in the Consolidated Statement of Operations.

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

5. CHARGES FOR LONG-TERM LIABILITIES (CONTINUED)

The charges shown in the previous table are recovered as follows:

	2022	2021
Property taxes – general purpose levy	\$5,944	\$6,563
Water and wastewater revenues	8,431	9,470
Development charges	11,746	11,347
Total	\$26,121	\$27,380

The principal amounts required for long-term liabilities are as follows:

	Instalment principal	Sinking Fund #148-11	Sinking Fund #43-15	HCHC mortgages	Total
2023	\$8,835	\$3,379	\$1,608	\$8,686	\$22,508
2024	8,024	3,489	1,661	4,412	17,586
2025	3,384	3,603	1,715	5,924	14,626
2026	3,472	3,721	1,771	3,301	12,265
2027	-	3,842	1,829	4,038	9,709
2028-2045	-	87,641	53,749	2,742	144,132
Total	\$23,715	\$105,675	\$62,333	\$29,103	\$220,826

6. LOANS RECEIVABLE

Halton Region has loans receivable in the amount of \$4,669 (2021 - \$4,831) from Conservation Halton. The loans receivable are valued at cost. Recoverability is assessed annually and a valuation allowance is recorded when recoverability has been impaired. The loans receivable are written off when they are no longer recoverable. Recoveries of loans receivable previously written off are recognized in the year received. Interest revenue is recognized as it is earned.

As per Council report CS-07-07, Halton Region has agreed to provide Conservation Halton with debt financing on capital infrastructure for Watershed Management & Support Services projects. The loans provided to Conservation Halton are based on the actual cost of the project. The repayment amount for 2022 is \$525 (2021 - \$524). Each loan is repayable over a set period at a variable interest rate listed below.

	2022	2021
Loans repayable over 10 years bearing interest of 3.0% with maturity dates from 2023-2027	\$416	\$611
Loans repayable over 20 years bearing interest of 3.0% with maturity dates from 2038-2042	574	402
Loans repayable over 30 years bearing interest of 3.2% with maturity dates from 2048-2050	3,679	3,818
Total	\$4,669	\$4,831

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

7. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

- a. Halton Region has outstanding contractual obligations of \$596,063 (2021 - \$668,918) for capital works still to be constructed. Regional Council has approved the required financing for these obligations.
- b. Halton Region has entered into operating leases for various office premises and equipment requiring the following payments over the next five years:
- | | |
|------|---------|
| 2023 | \$4,108 |
| 2024 | 1,907 |
| 2025 | 1,334 |
| 2026 | 293 |
| 2027 | 61 |
- c. Halton Region enters into various service contracts and other agreements in the normal course of business, which have been approved by the appropriate level of management or by Council but which have not been reported as commitments.
- d. The Region has issued letters of credit for \$2,396 (2021 - \$2,096) in order to meet the credit requirements and conditions of certain agreements related to capital projects.

8. CONTINGENT LIABILITIES

Certain legal claims against Halton Region are currently outstanding. No provision has been made for any claims that are expected to be covered by insurance or where the outcome is not determinable. Liabilities for non-insured claims are recorded in the year in which they are determined likely to occur and the amount can be estimated.

At year-end, Halton Region evaluated the likelihood of having to repay taxes as a result of tax appeals or other changes and recognized a liability in the amount of \$3,551 (2021 - \$4,768) which is included in Accounts payable and accrued liabilities in the Consolidated Statement of Financial Position.

9. CONTINGENT ASSETS

As at December 31, 2022, Halton Region has certain outstanding legal actions in which Halton Region is seeking damages. Halton Region has determined that resolution of these claims in favour of Halton Region is undeterminable as at December 31, 2022.

10. DEFERRED REVENUE

Halton Region's deferred revenue is comprised of obligatory reserve funds and general deferred revenues. A requirement of PSAS is that obligatory reserve funds be reported as deferred revenue. Halton Region has development charge reserve funds in the amount of \$199,572 (2021 - \$206,287), reserve fund for the Canada Community-Building Fund (formerly Federal Gas Tax) in the amount of \$39,907 (2021 - \$46,051) and COVID-19 Recovery Funding for Municipalities of \$nil (2021 - \$4,883). These reserve funds are considered obligatory as Provincial and Federal legislation restricts how these funds may be used and, under certain circumstances, how these funds may be refunded.

In the case of development charges, revenue recognition occurs after the funds have been collected or are receivable and when Halton Region has approved and incurred the eligible expenditures for the capital projects for which the development charges were raised. The funds received before expenditures are incurred are set aside, as required by the *Development Charges Act, 1997*, to defray the cost of growth-related capital projects associated with new development.

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

10. DEFERRED REVENUE (CONTINUED)

The deferred revenue, reported on the Consolidated Statement of Financial Position, is made up of the following:

	Balance at 31-Dec-21	Inflows	Revenue Earned	Balance at 31-Dec-22
Development charges	\$206,287	\$329,601	\$336,316	\$199,572
Canada Community-Building Fund (formerly Federal Gas Tax)	46,051	18,916	25,060	39,907
COVID-19 Recovery Funding for Municipalities	4,883	-	4,883	-
Total Obligatory Reserve Funds	257,221	348,517	366,259	239,479
Unspent Capital Financing	52,968	293	7,054	46,207
Permits	2,001	1,708	1,214	2,495
Developer Accelerated (Note 15)	7,923	10,441	6,949	11,415
Developer Water Meters	1,003	680	511	1,172
Other	4,349	5,280	5,462	4,167
Total general deferred revenue	68,244	18,402	21,190	65,456
Total	\$325,465	\$366,919	\$387,449	\$304,935

11. LANDFILL CLOSURE AND POST-CLOSURE LIABILITIES

Halton Region owns and operates one active landfill site. It also owns and monitors four inactive landfill sites. The active site has a remaining life expectancy of 24 years, assuming the waste diversion targets are met. The present value of the expected closure and post-closure care costs of the active landfill site and the present value of expected monitoring and capital rehabilitation costs of the inactive landfill sites have been reported as a liability on the Consolidated Statement of Financial Position. The liability was estimated using a discount factor of 5% and an inflation factor of 2%. The estimated length of time required for post-closure care is 40 years. Halton Region also monitors seven inactive landfill sites owned by the Local Municipalities. Under agreements with the four Local Municipalities, Halton Region may recover the cost of capital rehabilitation that may be required and is not responsible for any third-party claims that may result from these inactive sites. The Local Municipalities bear the cost of monitoring the inactive sites and therefore these costs have not been included in the landfill post-closure liability.

	2022	2021
Remaining capacity (m ³)	4,153,987	4,228,587
Reserve funds (Note 15)	\$22,110	\$21,436
Closure & post-closure care		
Estimated expenditures	20,062	18,961
Remaining expenditures to be recognized	(3,973)	(3,927)
Landfill closure and post-closure liabilities	\$16,089	\$15,034

12. CONTAMINATED SITES

A contaminated site exists when substances introduced into the air, soil, water or sediment exceeds the maximum acceptable environmental standards. A liability for remediation occurs when a site is not in productive use and the estimated liability includes costs directly attributable to remediation activities as well as post remediation, maintenance and monitoring of the contaminated site, net of any expected recoveries.

There are no contaminated sites, as at December 31, 2022, that meet the specified criteria (2021 - \$nil).

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

13. EMPLOYEE FUTURE BENEFITS LIABILITIES

Halton Region provides certain employee benefits that will require funding in future periods. These benefits include sick leave benefits, benefits under the *Workplace Safety and Insurance Board (WSIB) Act, 1997*, long-term disability, early retirement plan, travel benefit, extended health and dental benefits. Halton Region has established reserve funds to mitigate the future impact of these obligations and this has been reported in Note 15. Employee future benefits and reserves relating to these liabilities are as follows:

	2022		2021	
	Accrued Liability	Reserve	Accrued Liability	Reserve
Retirement benefits				
Halton Region employees	\$18,058	\$22,363	\$16,907	\$21,500
Halton Regional Police Service	38,394	36,036	36,732	35,163
WSIB				
Halton Region employees	15,097	21,202	13,610	18,952
Halton Regional Police Service	8,288	6,009	6,323	5,349
Long-term disability				
Halton Region employees	8,753	13,309	8,686	13,042
Halton Regional Police Service	4,679	6,534	4,303	6,036
Vacation pay				
Halton Region employees	4,992	-	5,196	-
Halton Regional Police Service	126	-	148	-
Vested sick leave entitlements				
Halton Regional Police Service	68	102	67	100
Total	\$98,455	\$105,555	\$91,972	\$100,142

Information about Halton Region's benefit plan is as follows:

	2022	2021
Accrued benefit obligation:		
Balance, beginning of year	\$117,281	\$112,964
Current benefit cost	9,078	8,776
Interest	3,154	3,060
Benefits paid	(8,948)	(7,519)
Actuarial loss	-	-
Balance, end of year	120,565	117,281
Unamortized actuarial loss	(22,110)	(25,309)
Liability for benefits	98,455	91,972
Amortization of actuarial loss	\$3,199	\$3,055

The liabilities were determined by an actuarial valuation as at December 31, 2020 and extrapolation to December 31, 2022. The unamortized actuarial loss is amortized over the expected average remaining service life with estimates to December 31, 2023. Halton Region commissions actuarial reviews of the retirement benefits, WSIB and long-term disability obligations every three years.

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

13. EMPLOYEE FUTURE BENEFITS LIABILITIES (CONTINUED)

	2022	Remaining Service Life
Retirement benefits	\$(7,315)	7 to 13 years
WSIB	(11,826)	9 to 10 years
Long-term disability	(2,969)	8 years
Total	\$(22,110)	

The liabilities were based upon a number of assumptions regarding future events, which reflect management's best estimate. Key actuarial assumptions established for this valuation are:

	2022	2021
Expected inflation rate	1.75%	1.75%
Discount rate:		
Retirement benefits	3.00%	3.00%
WSIB	2.75%	2.75%
Long-term disability	2.25%	2.25%
Expected salary increase	2.75%	2.75%
Expected dental care cost increase	3.75%	3.75%
Expected health cost increase	5.42% in 2022, reducing by 0.33% per year to 3.75% in 2027	5.75% in 2021, reducing by 0.33% per year to 3.75% in 2027

Sick leave benefit plan

Under a former sick leave benefit plan, some employees hired prior to January 1, 1974, are entitled to receive cash payments for unused sick leave upon termination of employment or retirement. In 2022, payments out of the vested sick leave plan amounted to \$nil (2021 - \$nil) and have been reported on the Consolidated Statement of Operations. Sick leave benefits of \$68 (2021 - \$67) are anticipated to be paid out in 2022 and have been reported on the Consolidated Statement of Financial Position.

14. PENSION AGREEMENTS

Halton Region makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of its 3,645 eligible members. This plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on the length of credited service and average earnings.

The accrued benefit obligation of the OMERS Plan as shown in the OMERS financial statements as at December 31, 2022 is \$124.2 billion (2021 - \$120.8 billion) with an actuarially determined funding deficit of \$6.7 billion (2021 - \$3.1 billion). OMERS is a multi-employer plan; therefore, Halton Region does not recognize any share of the pension deficit.

Halton Region's contribution to OMERS for its current service amounted to \$31,074 (2021 - \$30,023) and is included as an expense on the Consolidated Statement of Operations. Employee contributions amounted to \$31,074 (2021 - \$30,023).

Contributions for employees with a normal retirement age of 65 were made at a rate of 9% for earnings up to the yearly maximum pensionable earnings of \$64.9 and at a rate of 14.6% for earnings greater than the yearly maximum pensionable earnings. For uniformed police officers with a normal retirement age of 60, those rates were 9.2% and 15.8% respectively.

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
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15. ACCUMULATED SURPLUS

Accumulated surplus consists of the following balances:

	2022	2021
Unexpended capital financing	\$1,054,271	\$844,667
Reserves and discretionary reserve funds (detailed below)	1,471,922	1,434,825
Sinking fund investment	32,318	28,310
Tangible capital assets	5,759,598	5,542,585
Developer financed assets	(11,415)	(7,923)
Amounts to be recovered in future years:		
From reserves and reserve funds on hand	(104,790)	(99,120)
From future revenues	(231,092)	(248,734)
Total Accumulated Surplus	\$7,970,812	\$7,494,610
Reserves and discretionary reserve funds set aside by Council:		
Stabilization - rate	\$36,933	\$35,764
Stabilization - tax	78,977	76,414
Regional COVID recovery	11,465	14,116
Program specific	107,857	110,313
Workplace safety and insurance	27,211	24,301
Self-insurance - general	7,376	6,900
Self-insurance - employee benefits	78,344	75,841
Landfill closure and post-closure	22,110	21,436
Equipment replacement - vehicle	10,199	11,917
Equipment replacement - building	4,691	6,078
Equipment replacement - equipment	21,213	13,685
Capital - rate	349,983	328,910
Capital - tax	465,855	480,635
Capital - investment	125,836	107,424
Other	123,872	121,091
Total Reserves and Discretionary Reserve Funds	\$1,471,922	\$1,434,825

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
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16. TRUST FUNDS

Trust Funds, in the amount of \$79 (2021 - \$66), for the residents of Allendale, Creek Way Village and Post Inn Village, which are administered by Halton Region, have not been included in these consolidated financial statements, and are reported separately on the Statement of Financial Position of the Long Term Care Trust Fund Statements.

17. SEGMENTED INFORMATION

Segmented information has been identified based on lines of service provided by Halton Region. Halton Region's services are provided by departments and their activities are reported by functional area in the body of the consolidated financial statements. Certain lines of services that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Protection Services

The mandate of the Protection Services programs is to ensure the safety of the lives and property of citizens, preserve peace and good order, prevent crimes from occurring, detect offenders, and enforce the law.

Transportation Services

The Transportation Services division is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems and street lighting.

Water and Wastewater Services

The Water and Wastewater Services divisions are responsible for the collection and treatment of wastewater (including storm) and the treatment and distribution of drinking water in order to provide high-quality drinking water to residents of Halton Region.

Solid Waste Services

The Solid Waste Services division is responsible for the planning, collection and disposal of solid waste, administering the green cart program and recycling, including minimization programs and facilities for solid waste.

Health Services

The Health Department delivers a variety of public health programs and services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement. Staffs work in the community to deliver programs such as paramedic services, immunization, nutrition, mental health, sexual health, insect control and health inspection.

Social and Community Services

The Social and Community Services department provides programs and services that enhance the quality of life of Halton residents and provides them with social support services, including services for children, youth, families and seniors.

Social Housing

Through implementation of the Comprehensive Housing Strategy, Halton Region continues to advocate for the provision of housing types for all incomes and all stages of life from emergency shelters and government assisted housing to private sector affordable housing. Operations of HCHC are included as part of the Social Housing segment.

Other Services consists of the General Government, Planning and Development, Recreation and Cultural Services:

General Government

General government includes the components of municipal government responsible for governing the Regional Municipality of Halton, providing direction and leadership to staff, and sustaining the organization. These divisions and branches supply administrative and financial leadership for the Regional Corporation including adopting by-laws and policy, levying taxes, issuing debentures and providing administrative, technical, facility management, and financial services.

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

17. SEGMENTED INFORMATION (CONTINUED)

Planning and Development

The Planning and Development department provides a long-term comprehensive approach to planning and development processes to ensure the efficient use of land and community infrastructure.

Recreational and Cultural Services

The Recreational and Cultural Services department fosters discovery, appreciation and understanding of the region's heritage and manage Halton Region's artifact and archival collection. It also oversees the implementation of the Halton Region Waterfront Parks program.

Certain allocation methodologies are employed in the preparation of segmented financial information. Services are funded primarily by taxation such as property tax revenues and by user fees for water and wastewater services. General purpose levy and payment in lieu of taxes are allocated to the segments based on a percentage of budgeted net expenditures approved in the 2022 Budget. In addition, certain government transfers and other revenues have been apportioned based on a percentage of budgeted expenses. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure below for the years 2022 and 2021.

	Protection Services	Transportation Services	Water and Wastewater Services	Solid Waste Services*	Health Services	Social and Community Services	Social Housing	Other Services**	Total Consolidated 2022
Revenues									
Taxation*									
General purpose levy	\$185,188	\$61,680	\$21	\$16,336	\$43,899	\$52,905	\$38,894	\$46,699	\$445,622
Solid waste levy	-	-	-	29,288	-	-	-	-	29,288
Payment in lieu	2,011	669	-	-	477	574	422	684	4,837
User charges	5,934	812	240,530	8,796	110	17,532	615	4,352	278,681
Provincial Transfers	7,116	6,251	105	-	80,691	184,237	20,232	5,400	304,032
Federal Transfers	-	20,847	4,214	-	88	414	5,405	118	31,086
Investment income	-	-	3,617	-	-	-	-	62,867	66,484
Development charges and developer contributions	2,633	177,091	151,951	177	1,798	-	2,571	3,741	339,962
Other revenue	3	-	11,050	-	3	-	16,635	695	28,386
Total revenues	202,885	267,350	411,488	54,597	127,066	255,662	84,774	124,556	1,528,378
Expenses									
Salaries, wages and employee benefits	153,410	4,076	39,273	4,694	89,396	82,367	6,707	65,731	445,654
Materials	8,479	5,294	25,710	1,201	5,534	6,845	3,538	6,612	63,213
Contracted services	13,063	24,503	40,266	38,870	6,645	26,048	8,993	37,903	196,291
Rents and financial expenses	266	6,995	6,232	161	2,121	862	4,917	3,503	25,057
Government transfers	10,452	21	552	212	1,050	107,647	40,683	5,860	166,477
Debt expense	1,648	-	4,567	-	8	-	870	-	7,093
Amortization of tangible capital assets	11,589	26,487	88,883	2,031	2,000	2,258	4,658	5,883	143,789
Program support	1,739	3,213	17,844	3,266	14,964	17,134	3,219	(61,379)	-
Other operating expenses	-	-	-	-	-	-	-	4,602	4,602
Total expenses	200,646	70,589	223,327	50,435	121,718	243,161	73,585	68,715	1,052,176
Net revenues	\$2,239	\$196,761	\$188,161	\$4,162	\$5,348	\$12,501	\$11,189	\$55,841	\$476,202

* The allocation of taxation amount is based on a percentage of budgeted net expenditures except for Solid Waste as this amount is collected through By-Law 17-22.

** Other Services consist of General Government, Planning and Development, and Recreation and Cultural Services.

Notes to Consolidated Financial Statements

For the year ended December 31, 2022

(Dollars in Thousands)

17. SEGMENTED INFORMATION (CONTINUED)

	Protection Services	Transportation Services	Water and Wastewater Services	Solid Waste Services*	Health Services	Social and Community Services	Social Housing	Other Services**	Total Consolidated 2021
Revenues									
Taxation*									
General purpose levy	\$171,437	\$60,425	\$28	\$16,052	\$41,150	\$47,902	\$38,372	\$56,455	\$431,821
Solid waste levy	-	-	-	28,220	-	-	-	-	28,220
Payment in lieu	2,010	708	-	-	482	562	450	610	4,822
User charges	5,391	(266)	224,188	8,889	80	17,067	1,638	2,489	259,476
Provincial Transfers	6,332	1,542	766	-	94,837	140,342	19,893	9,568	273,280
Federal Transfers	-	2,837	11,369	-	44	283	8,178	2	22,713
Investment income	-	-	3,617	-	-	-	-	61,548	65,165
Development charges and developer contributions	1,735	57,686	124,172	75	3,607	-	2,348	5,954	195,577
Other revenue	1	-	1,492	7	11	-	15,690	588	17,789
Total revenues	186,906	122,932	365,632	53,243	140,211	206,156	86,569	137,214	1,298,863
Expenses									
Salaries, wages and employee benefits	148,715	3,368	38,147	4,367	98,387	78,402	5,719	60,770	437,875
Materials	7,132	1,902	23,754	1,466	6,625	6,454	3,830	5,710	56,873
Contracted services	11,183	15,444	36,222	36,030	7,613	23,312	8,255	34,656	172,715
Rents and financial expenses	341	5,144	1,400	123	1,641	827	4,746	2,275	16,497
Government transfers	10,086	174	692	172	1,056	68,391	28,171	6,764	115,506
Debt expense	1,704	-	5,022	-	10	-	952	-	7,688
Amortization of tangible capital assets	10,746	25,241	84,457	2,271	2,196	2,388	4,511	5,909	137,719
Program support	1,702	2,220	12,786	2,196	10,630	13,345	2,151	(45,030)	-
Other operating expenses	-	-	-	-	-	-	-	3,459	3,459
Total expenses	191,609	53,493	202,480	46,625	128,158	193,119	58,335	74,513	948,332
Net revenues	(\$4,703)	\$69,439	\$163,152	\$6,618	\$12,053	\$13,037	\$28,234	\$62,701	\$350,531

* The allocation of taxation amount is based on a percentage of budgeted net expenditures except for Solid Waste as this amount is collected through By-Law 8-21.

** Other Services consist of General Government, Planning and Development, and Recreation and Cultural Services.

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

18. BUDGET COMPARISON

The budget data presented in these consolidated financial statements are based upon the 2022 operating and capital budgets approved by Halton Regional Council on December 15, 2021 and the HCHC Board on December 15, 2021.

The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements. Budgets established for tangible capital asset acquisitions are on a project-oriented basis, the costs of which may be carried out over one or more years.

In addition, to ensure comparability of expenses, the allocation of program support costs completed for actual reporting was also applied to the budget amounts.

	2022 Budget
Halton Region approved Operating Revenues budget (FN-41-21)	\$1,035,988
In-year changes*	55,935
Revised approved budget	1,091,923
Development charges and developer contributions	339,962
Government Transfers	9,354
Gain on disposal of tangible capital assets	11,032
Other revenue adjustments	(844)
Reclassification between revenue and expense	(348)
HCHC approved Operating Revenues budget (HC-20-21)	28,376
HCHC PSAS adjustments	3,731
HCHC intercompany transactions	(20,220)
Total consolidated revenues	1,462,966
Halton Region approved Operating Expenses budget (FN-41-21)	\$1,035,988
In-year changes*	55,935
Revised approved budget	1,091,923
Transfers to reserves - capital	(215,937)
Transfers from reserves - capital	11,746
Debt charges - principal	(17,077)
Transfers to reserves - operating	(54,345)
Transfers from reserves - operating	10,588
Amortization	139,653
Capital project cost resulting in operating expenses	38,131
Loss (gain) on disposal of tangible capital assets	12,419
Employee future benefits	6,484
Landfill liability	1,055
Reclassification between revenue and expense	(348)
HCHC approved Operating Expenses budget (HC-20-21)	28,376
HCHC PSAS adjustments	(2,177)
HCHC intercompany transactions	(18,292)
Total consolidated expenses	1,032,199
Net revenues	\$430,767
In-year changes	Amount
*Refer to Halton Region Report No.:	
SS-03-22 - Services for Seniors Funding Increase - Direct Care Hours	\$5,439
SS-12-22 - Early Learning and Child Care Update	50,587
MO-10-22 - Oral Health Update	2,019
FN-13-22 - 2022 Tax Policy	(2,110)
Total	\$55,935

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

19. PUBLIC LIABILITY INSURANCE

Halton Region and HCHC have comprehensive risk management programs in place for the identification, evaluation and treatment of risk designed to minimize or prevent the risk of damage to Halton Region and HCHC properties and the risk of third-party property damage or bodily injury.

	Halton Region		HCHC	
	2022	2021	2022	2021
Insurance period of one year beginning on	1/1/2022	1/1/2021	11/1/2022	11/1/2021
Third-party public liability claim limit per occurrence up to	\$50,000	\$50,000	\$5,000	\$5,000
Maximum deductible limit per occurrence - Liability	100	100	25	25
Maximum deductible limit per occurrence - Property	100	100	50	50
Insurance claims expense	354	378	-	-
Estimated value of outstanding litigated claims	1,845	1,455	45	15
Self-insurance reserves (Note 15)	7,376	6,900	N/A	N/A

Insurance claims of \$354 (2021 - \$378), as noted in the above table, are included as an expense in the Consolidated Statement of Operations. In 2022, Halton Region and HCHC's insurance providers changed the coverage limit for HCHC's replacement costs. The replacement cost coverage per occurrence is set at a limit of \$100,000 for Halton Region and \$35,000 for HCHC. In 2021, the total insured value was covered and the replacement cost coverage was \$100,000 for Halton Region and \$25,000 for HCHC.

HCHC uses purchased insurance and Halton Region uses a combination of self-insurance and purchased insurance to protect themselves financially against the risks that they cannot reasonably control. Halton Region is self-insured for claims such as environmental liability, Councillor and employee legal indemnification. These claims are expensed within the current operating year and are funded through the self-insurance reserve fund as are all Halton Region's insurance claim deductibles.

20. COVID-19 PANDEMIC

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. In 2022, Halton Region continued to respond to the COVID-19 pandemic and Public Health played a leadership role in implementing the local COVID-19 vaccination roll-out.

The COVID-19 pandemic had a financial impact of \$55,719 (2021 - \$96,480) in unforeseen costs incurred during the year. These costs were offset with \$53,939 (2021 - \$96,480) in Federal and Provincial transfers which included \$26,809 (2021 - \$40,558) for the Vaccine Program. Revenue and expenses are reflected in the Consolidated Statement of Operations in the program area that incurred the expense; the tangible capital assets purchased have been capitalized and amortized in accordance with Halton Region's tangible capital asset amortization methods.

	2022	2021
COVID-19 Funding		
Other provincial transfers	\$43,927	\$84,423
Social Services Relief Fund	5,129	10,625
COVID-19 Recovery Funding for Municipalities	4,883	497
Federal Transfers	-	935
Total COVID-19 revenue	53,939	96,480
COVID-19 Costs		
Salaries, wages and employee benefits	33,447	48,240
Grants provided to child care, social housing providers	4,395	19,649
Contracted services	7,474	10,233
Other operating costs	5,916	7,635
Materials	3,921	6,020
Tangible capital assets purchased	566	4,703
Total COVID-19 costs incurred	55,719	96,480
Net Impact	\$1,780	-

Notes to Consolidated Financial Statements

For the year ended December 31, 2022
(Dollars in Thousands)

20. COVID-19 PANDEMIC (CONTINUED)

The table above includes transfers from the Provincial Social Services Relief Fund (SSRF) of \$516 (2021 - \$4,644) to support the capital project for emergency shelter.

As outlined in Note 10 Deferred Revenue, all Provincial COVID-19 Recovery funding received has been fully utilized in accordance with the terms outlined in the funding agreements.

Provincial Funding	Funding Received	Funding Utilized	Deferred Revenue
Obligatory Reserve Fund			
COVID-19 Recovery Funding for Municipalities	\$4,883	\$4,883	-
Total COVID-19 Recovery funding	\$4,883	\$4,883	-

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.



Five-Year Statistical Data

For the year ended December 31, 2022

Five-Year Financial Statistics (unaudited)

(Dollars in Thousands)

	2022	2021	2020	2019	2018
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Financial assets	\$3,484,634	\$3,226,898	\$2,877,636	\$2,664,577	\$2,574,054
Non-financial assets	5,770,766	5,550,949	5,408,738	5,274,138	5,110,511
Total Assets	9,255,400	8,777,847	8,286,374	7,938,715	7,684,565
Accounts payable and accrued liabilities	392,021	363,802	311,478	329,322	318,897
Gross long-term liabilities	199,588	213,464	241,910	280,015	315,179
Sinking fund debentures	273,500	273,500	273,500	273,500	273,500
Deferred revenue	304,935	325,465	214,536	158,233	196,455
Landfill closure and post-closure liabilities	16,089	15,034	16,271	16,174	16,034
Employee benefits payable	98,455	91,972	84,600	81,663	78,751
Total Liabilities	1,284,588	1,283,237	1,142,295	1,138,907	1,198,816
Accumulated Surplus	\$7,970,812	\$7,494,610	\$7,144,079	\$6,799,808	\$6,485,749
CONSOLIDATED OPERATIONS					
Sources of Revenue					
Property taxes					
General purpose	\$450,459	\$436,643	\$422,706	\$407,941	\$393,168
Solid waste	29,288	28,220	27,673	26,928	26,196
Government transfer					
Ontario	304,032	273,280	218,420	200,382	218,099
Canada	6,026	8,506	1,400	1,002	840
User charges	278,681	259,476	263,872	250,623	244,646
Investment income	66,484	65,165	71,140	65,029	58,875
Development charges and developer contributions	339,962	195,577	200,183	161,835	196,576
Canada Community-Building Fund (formerly Federal gas tax)	25,060	14,207	20,881	23,524	15,967
Other revenue	28,386	17,789	16,998	16,714	17,380
Total Revenues	1,528,378	1,298,863	1,243,273	1,153,978	1,171,747
Expenses by Function					
General government	45,892	54,735	40,825	41,511	40,261
Social and community services	243,161	193,119	189,102	186,561	181,681
Social housing	73,585	58,335	55,000	52,599	49,999
Water and wastewater services	223,327	202,480	208,948	191,337	187,354
Solid waste services	50,435	46,625	48,905	43,084	43,984
Protection services	200,646	191,609	186,244	181,248	171,531
Health services	121,718	128,158	84,019	73,544	73,616
Transportation services	70,589	53,493	70,016	53,902	55,940
Planning and development	21,244	18,232	14,267	15,715	14,087
Recreation and cultural services	1,579	1,546	1,676	418	3,062
Total Expenses by Function	1,052,176	948,332	899,002	839,919	821,515
Net Revenues	476,202	350,531	344,271	314,059	350,232
Accumulated Surplus, Beginning of Year	7,494,610	7,144,079	6,799,808	6,485,749	6,135,517
Accumulated Surplus, End of Year	\$7,970,812	\$7,494,610	\$7,144,079	\$6,799,808	\$6,485,749

Five-Year Financial Statistics (unaudited)

(Dollars in Thousands)

	2022	2021	2020	2019	2018
Analysis of Expenses by Object					
Salaries, wages and employee benefits	\$445,654	\$437,875	\$383,236	\$359,552	\$344,366
Materials	63,213	56,873	74,635	52,144	53,470
Contracted services	196,291	172,715	163,794	168,280	177,218
Rents and financial expenses	25,057	16,497	18,429	14,136	11,242
Government transfers	166,477	115,506	113,672	110,046	106,973
Debt services	7,093	7,688	8,341	9,029	9,736
Amortization of tangible capital assets	143,789	137,719	132,920	122,814	114,252
Allowance for taxes written off	4,602	3,459	3,975	3,918	4,258
Total Expenses	\$1,052,176	\$948,332	\$899,002	\$839,919	\$821,515
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS					
Net revenues	\$476,202	\$350,531	\$344,271	\$314,059	\$350,232
Acquisition of tangible capital assets	(375,294)	(286,002)	(274,464)	(292,304)	(322,938)
Amortization of tangible capital assets	143,789	137,719	132,920	122,814	114,252
Loss on disposal of tangible capital assets	1,387	4,443	8,930	5,296	2,087
Proceeds on disposal of tangible capital assets	13,105	1,911	218	803	402
Change in inventory and prepaid expenses	(2,804)	(282)	(2,204)	(236)	(518)
Change in net financial assets	256,385	208,320	209,671	150,432	143,517
Net Financial Assets, Beginning of Year	1,943,661	1,735,341	1,525,670	1,375,238	1,231,721
Net Financial Assets, End of Year	\$2,200,046	\$1,943,661	\$1,735,341	\$1,525,670	\$1,375,238
Net Long-Term Liabilities					
Total long-term liabilities	\$473,088	\$486,964	\$515,410	\$553,515	\$588,679
Recoverable debt (Overlapping):					
Local Municipalities	(235,323)	(232,880)	(244,255)	(262,572)	(277,206)
Cumulative sinking fund contributions from Local Municipalities	(16,939)	(14,270)	(11,690)	(9,194)	(6,778)
Net Long-Term Liabilities	220,826	239,814	259,465	281,749	304,695
Recovered from:					
Tax levy	53,842	57,822	61,723	65,944	70,072
Rate supported	46,138	55,704	66,007	78,166	91,029
Development charges	120,846	126,288	131,735	137,639	143,594
	220,826	239,814	259,465	281,749	304,695
Other Information					
Annual repayment limit*	\$186,565	\$176,108	\$171,561	\$161,286	\$151,516
Reserves	1,471,922	1,434,825	1,364,448	1,297,428	1,199,541

* The annual repayment limit is calculated at 25% of the Municipalities own source revenues less net debt charges.

Five-Year Financial Statistics (unaudited)

	2022	2021	2020	2019	2018
EXPENDITURE ANALYSIS					
Consolidated expenditure per capita	\$1,652	\$1,520	\$1,473	\$1,407	\$1,408
Net debt per capita	\$347	\$384	\$425	\$472	\$522
Net debt per household	\$920	\$1,023	\$1,135	\$1,264	\$1,404
Debt charges as a % of consolidated expenditure	1.8%	2.1%	2.5%	2.7%	3.1%
REVENUE ANALYSIS					
Property taxes and user charges as a % of consolidated revenue	73.7%	72.2%	74.9%	74.9%	74.9%
Total Government Transfers as a % of consolidated revenue	21.9%	22.8%	19.4%	19.5%	20.0%
Debt charges as a % of consolidated non-grant revenue	1.4%	1.7%	2.0%	2.2%	2.4%
STATISTICS					
Population (a)	637,054	624,094	610,517	596,940	583,363
Households (a)	240,054	234,455	228,656	222,857	217,058
Income per Capita (d)	\$68,911	\$67,055	\$65,358	\$63,926	\$63,027
Halton Census division average unemployment rate (b)	5.5%	6.5%	9.2%	4.1%	5.3%
Toronto Census metropolitan area unemployment rate (c)	6.2%	7.3%	10.6%	5.5%	6.0%
Hamilton Census metropolitan area unemployment rate (c)	4.7%	5.6%	7.5%	4.6%	4.4%
Area in hectares (a)	96,924	96,924	96,924	96,924	96,924
Continuous full-time employees (Actual as of December 31 st)					
Police (including civilians)	1,133	1,097	1,084	1,060	1,043
Other full-time	2,151	2,050	2,009	1,982	1,866
Typical Resident's Annual Regional Property Taxes And User Charges					
Property taxes - general purpose Per \$100,000 Current Value Assessment (CVA)	\$277	\$271	\$266	\$276	\$286
Water	\$477	\$463	\$478	\$464	\$444
Wastewater 2018-2020 based on annual water consumption for a residential home of 250 m ³ /Year 2021-2022 based on annual water consumption for a residential home of 226 m ³ /Year	\$547	\$532	\$554	\$535	\$520
Property Taxes Collected					
Total property taxes collected on our behalf by Local Municipalities	\$473,691	\$457,417	\$444,368	\$431,867	\$417,089
Taxable Weighted Assessment (000s)					
Residential & farm	\$136,738,967	\$134,595,535	\$132,215,029	\$122,398,881	\$113,217,084
Commercial & industrial (C/I)	\$32,811,715	\$32,887,339	\$32,934,861	\$31,325,603	\$29,129,643
	\$169,550,682	\$167,482,874	\$165,149,890	\$153,724,484	\$142,346,727
Ratio of C/I to total taxable assessment	19.4%	19.6%	19.9%	20.4%	20.5%
Permits Issued					
Residential	4,331	5,073	3,027	3,015	2,835
Non-residential	106	70	41	153	146

(a) June 2011 Best Planning Estimates

(b) Statistics Canada Labour Force Survey - custom tabulation, 3-month moving average unadjusted

(c) Statistics Canada Table: 14-10-0380-01

(d) Conference Board of Canada, custom tabulation for Halton Region, 2019. Figures forecasted.

Halton's Business Community and Key Sectors

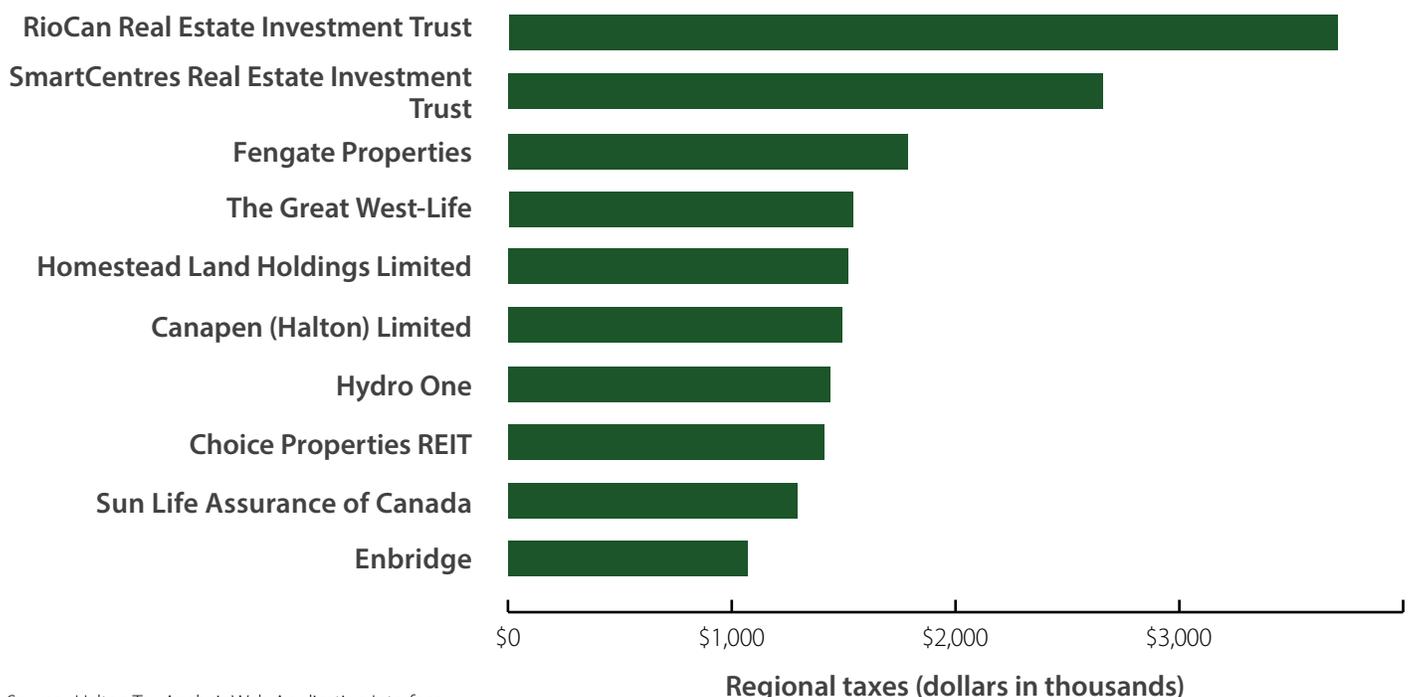
Top 10 Private Sector Employers in Halton in 2022

(Based on number of employees)

Business Name	Location	Sector
Ford Motor Company of Canada (Oakville Assembly Complex)	Oakville	Headquarters and automotive assembly (4,200+ employees)
Collins Aerospace Systems	Oakville	Aerospace parts manufacturing (1,500+ employees)
DSV Canada	Milton	Headquarters and freight logistics (1,000+ employees)
Evertz Microsystems	Burlington	Headquarters and electronics manufacturing (1,000+ employees)
Karmax Heavy Stamping (division of Magna)	Milton	Automotive parts manufacturing (1,000+ employees)
Geotab	Oakville	Headquarters and telematics services and fleet management (1,000+ employees)
Modatek Systems (division of Magna)	Milton	Automotive parts manufacturing (900+ employees)
Gordon Food Service	Milton	Food and beverage distribution (850+ employees)
Sofina Foods (Fearmans Pork)	Burlington	Meat processing (850+ employees)
Siemens Canada	Oakville	Headquarters and engineering technology professional services (750+ employees)

Source: Halton Region Employment Survey, 2022

Principal Corporate Taxpayers in 2022



Source: Halton Tax Analysis Web Application Interface

