



**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**



**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**

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## **CORPORATION OF THE COUNTY OF NORTHUMBERLAND**

**For The Year Ended December 31, 2021**

### **MANAGEMENT REPORT**

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

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

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

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

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

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

A handwritten signature in black ink, appearing to be "A. Smith", written over a horizontal line.

Warden

A handwritten signature in black ink, appearing to be "D. Lee", written over a horizontal line.

Treasurer

June 15, 2022

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

We have audited the consolidated financial statements of the Corporation of the County of Northumberland and its subsidiary (the County), which comprise the consolidated statement of financial position as at December 31, 2021, the consolidated statements of operations and accumulated surplus, change in net financial assets/(net debt) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the County as at December 31, 2021, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Basis for Opinion*

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

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

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

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

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

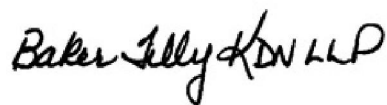
*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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



Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario

June 22, 2022

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
At December 31, 2021**

	2021	2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	5,111,977	3,407,256
Investments (note 3)	95,705,505	82,438,174
Accounts receivable	6,416,989	4,930,998
<b>TOTAL FINANCIAL ASSETS</b>	<b>107,234,471</b>	<b>90,776,428</b>
<b>LIABILITIES</b>		
Short term advances (note 5)	16,767,835	4,930,976
Accounts payable and accrued liabilities	20,782,297	17,780,403
Deferred revenue - obligatory reserve funds (note 6)	5,767,959	2,173,433
Deferred revenue - other	971,545	1,237,421
Employee future benefits liability (note 7)	4,319,842	2,458,376
Long term debt (note 8)	10,261,491	11,898,040
Landfill closure and post-closure liability (note 9)	24,511,900	28,793,700
<b>TOTAL LIABILITIES</b>	<b>83,382,869</b>	<b>69,272,349</b>
<b>NET FINANCIAL ASSETS</b>	<b>23,851,602</b>	<b>21,504,079</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 10)	199,907,552	183,762,700
Prepaid expenses	364,906	332,173
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>200,272,458</b>	<b>184,094,873</b>
<b>ACCUMULATED SURPLUS (note 11)</b>	<b>224,124,060</b>	<b>205,598,952</b>

*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**



**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
For the Year Ended December 31, 2021**

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>REVENUES</b>			
Tax levy from lower tiers	60,463,493	60,767,458	58,773,490
User charges	11,895,096	13,189,953	11,870,613
Government of Canada	4,108,486	1,423,018	1,871,313
Province of Ontario	34,185,659	41,432,797	36,676,437
Other municipalities	1,486,900	1,181,208	889,652
Provincial Offenses Act - fines (note 12)	1,500,000	921,002	831,423
Investment income	1,072,296	1,621,103	1,132,258
Waste Diversion Ontario	1,340,000	1,152,358	1,030,444
Rents	2,585,945	2,591,913	2,658,563
Development charges earned	1,224,365	326,483	156,750
Federal gas tax earned	2,949,055	2,949,055	3,081,705
Other	169,520	238,826	168,448
<b>TOTAL REVENUES</b>	<b>122,980,815</b>	<b>127,795,174</b>	<b>119,141,096</b>
<b>EXPENSES</b>			
General government	4,856,767	7,034,578	5,066,050
Protection services	3,875,100	3,684,060	3,752,330
Transportation services	19,491,565	17,676,321	16,745,030
Environmental services	15,592,649	11,158,975	16,010,278
Health services	16,820,108	17,363,380	16,241,092
Social and family services	37,057,859	35,712,102	33,945,654
Social housing	12,271,598	13,090,517	11,534,168
Economic development, tourism and forest	4,464,680	3,550,133	4,055,219
<b>TOTAL EXPENSES</b>	<b>114,430,326</b>	<b>109,270,066</b>	<b>107,349,821</b>
<b>ANNUAL SURPLUS</b>	<b><u>8,550,489</u></b>	<b>18,525,108</b>	<b>11,791,275</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>205,598,952</b>	<b>193,807,677</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>224,124,060</b>	<b>205,598,952</b>

*The accompanying notes are an integral part of these financial statements*

**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)  
For the Year Ended December 31, 2021**

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>ANNUAL SURPLUS</b>	8,550,489	18,525,108	11,791,275
Amortization of tangible capital assets	9,100,000	9,067,758	8,988,101
Purchase of tangible capital assets	(75,201,174)	(25,333,698)	(15,081,748)
Loss/(gain) on disposal of tangible capital assets	-	23,824	(56,942)
Proceeds on sale of tangible capital assets	-	97,264	258,986
Change in prepaid expenses	-	(32,733)	(48,148)
<b>CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)</b>	<b>(57,550,685)</b>	<b>2,347,523</b>	<b>5,851,524</b>
<b>NET FINANCIAL ASSETS - beginning of year</b>	<b>21,504,079</b>	<b>21,504,079</b>	<b>15,652,555</b>
<b>NET FINANCIAL ASSETS/(NET DEBT) - end of year</b>	<b>(36,046,606)</b>	<b>23,851,602</b>	<b>21,504,079</b>

*The accompanying notes are an integral part of these financial statements*



**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**



**CONSOLIDATED STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2021**

	2021	2020
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	18,525,108	11,791,275
Items not involving cash		
Amortization of tangible capital assets	9,067,758	8,988,101
Loss/(gain) on disposal of tangible capital assets	23,824	(56,942)
Change in employee future benefits liability	1,861,466	215,169
Change in landfill closure and post-closure liability	(4,281,800)	659,052
Change in non-cash assets and liabilities		
Accounts receivable	(1,485,991)	2,461,802
Prepaid expenses	(32,733)	(48,148)
Accounts payable and accrued liabilities	3,001,894	3,908,181
Deferred revenue - obligatory reserve funds	3,594,526	(453,551)
Deferred revenue - other	(265,876)	876,657
<b>Net change in cash from operating activities</b>	<b>30,008,176</b>	<b>28,341,596</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(25,333,698)	(15,081,748)
Proceeds on disposal of tangible capital assets	97,264	258,986
<b>Net change in cash from capital activities</b>	<b>(25,236,434)</b>	<b>(14,822,762)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(32,946,850)	(27,771,578)
Disposal of investments	19,679,519	7,135,000
<b>Net change in cash from investing activities</b>	<b>(13,267,331)</b>	<b>(20,636,578)</b>
<b>FINANCING ACTIVITIES</b>		
Long term debt issued	-	1,478,242
Debt principal repayments	(1,636,549)	(1,523,704)
Short term advances	11,836,859	4,930,976
<b>Net change in cash from financing activities</b>	<b>10,200,310</b>	<b>4,885,514</b>
<b>NET CHANGE IN CASH</b>	<b>1,704,721</b>	<b>(2,232,230)</b>
<b>CASH - beginning of year</b>	<b>3,407,256</b>	<b>5,639,486</b>
<b>CASH - end of year</b>	<b>5,111,977</b>	<b>3,407,256</b>

*The accompanying notes are an integral part of these financial statements*

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

(a) Reporting Entity

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

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

- Northumberland County Housing Corporation

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

(b) Tangible Capital Assets

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

Land improvements	10 years
Buildings	50 years
Roads and bridges	20 to 75 years
Equipment and computers	5 to 20 years
Vehicles	5 to 10 years

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

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

(c) Non-financial Assets

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

(d) Reserves

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

**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

(e) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Taxation

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

Government funding and other grants

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

Other revenue

Fines levied under the Provincial Offenses Act 1997 are recognized when the funds are received. (see note 12).

User charges and rents are recognized as revenue in the year the goods and services are provided, with the exception of permits that are recognized when the permits are issued.

Investment income is recorded when earned.

Federal gas tax and development charges are recognized in the period in which the related expenditures are recorded.

(f) Use of Estimates

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

- The amounts recorded for landfill closure and post-closure care depend on estimates of usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs;
- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values;
- The values of employee future benefits depend on certain actuarial and economic assumptions; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

(g) Trust Funds

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

**2. TRUST FUNDS**

Trust funds administered by the County amounting to \$147,234 (2020 - \$155,187) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the County for the benefit of others, they are not presented as part of the County's financial position or operations.

**3. INVESTMENTS**

Investments are recorded at cost and are comprised of the following:

	2021	2020
	\$	\$
Eastern Ontario Wardens' Caucus Inc.	167,217	334,433
BNS investment high interest savings account	11,808,612	35,490,563
BNS notice plan investment account	46,268,554	-
ONE investment high interest savings account	6,818	6,784
Renaissance high interest savings account and investment cash account	350,348	217,635
Corporate bonds bearing interest, rates between 1.67% and 4.86%, maturing between March 4, 2026 and January 28, 2033	37,103,956	46,388,759
	<b>95,705,505</b>	<b>82,438,174</b>

**4. CREDIT FACILITY AGREEMENT**

The County has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$10,000,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate less 1.0% per annum. Council authorized the temporary borrowing limit by by-law 2021-02. At December 31, 2021 there was no balance outstanding (2020 - \$Nil).

**5. SHORT TERM ADVANCES**

During 2020, the County signed a financing agreement with Ontario Infrastructure and Lands Corporation (OILC) to provide advances for the construction of the new Golden Plough Lodge. Total available OILC financing is \$96,770,321. The advances will be moved to long term debt when construction is complete. Advances received to December 31, 2021 totaled \$16,767,835 (2020 - \$4,930,976).

**6. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS**

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

	2021	2020
	\$	\$
Federal gas tax	4,519,273	2,152,797
Development charges	1,248,686	20,636
	<b>5,767,959</b>	<b>2,173,433</b>

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

	2021	2020
	\$	\$
Balance - beginning of year	2,173,433	2,626,984
Add amounts received:		
Federal gas tax	5,293,733	2,581,705
Development charges	1,554,533	177,386
Interest	21,798	25,813
	<b>6,870,064</b>	<b>2,784,904</b>
Less transfer to operations:		
Federal gas tax earned	2,949,055	3,081,705
Development charges earned	326,483	156,750
	<b>3,275,538</b>	<b>3,238,455</b>
Balance - end of year	<b>5,767,959</b>	<b>2,173,433</b>

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**

**7. EMPLOYEE FUTURE BENEFITS LIABILITY**

The liability is comprised of the following amounts:

	2021	2020
	\$	\$
WSIB	2,835,603	2,458,376
Health benefits	1,484,239	-
	<b>4,319,842</b>	<b>2,458,376</b>

Under the Workplace Safety and Insurance Board (WSIB), the County is self-insured (Schedule II) and remits payments to the WSIB as required to fund disability payments. The liability recorded of \$2,835,603 (2020 - \$2,458,376) has been determined by an actuarial review completed as of December 31, 2020. This liability is fully funded by a reserve set aside for this purpose and reported as part of the employee health, safety and related costs reserve as reported in the Accumulated Surplus note.

The actuarial report for the WSIB liability was based on the following assumptions:

Interest discount rate	2.75%
WSIB administration and physician fees	27% of benefit costs
Expected level of increase in claims	0.07%
Expected average remaining service life	10 years

The continuity of the WSIB liability is as follows:

	2021	2020
	\$	\$
Accrued benefit obligation at January 1	3,503,147	2,519,574
Unamortized actuarial losses	(1,044,771)	(276,367)
Liability at January 1	2,458,376	2,243,207
Current year benefit cost	567,229	404,430
Interest	98,800	96,330
Amortization of actuarial loss/(gain)	99,259	20,385
Less: benefit payments	(388,061)	(305,976)
Liability at December 31	<b>2,835,603</b>	<b>2,458,376</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**

**7. EMPLOYEE FUTURE BENEFITS LIABILITY, continued**

The liability for extended health care and sick leave benefits has been determined by an actuarial review completed as of December 31, 2020. This is the first year that an actuarial valuation has been performed for this liability. The calculated liability at January 1, 2021 was \$1,450,788.

The actuarial report for the health benefits liability was based on the following assumptions:

Discount rate	3.25%
Inflation rate	1.75%
Future salary escalation	2.75%
Future dental escalation	3.75%
Future health cost escalation	5.75% reducing to 3.75% in 2027

The continuity of the health benefits is as follows:

	2021	2020
	\$	\$
Accrued benefit obligation at January 1	1,450,788	-
Liability at January 1	1,450,788	-
Current year benefit cost	90,535	-
Interest	46,932	-
Less: benefit payments	(104,016)	-
Liability at December 31	1,484,239	-

**8. LONG TERM DEBT**

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

	2021	2020
	\$	\$
Ontario Infrastructure and Lands Corporation due December 3, 2023, repayable in blended semi-annual instalments of \$70,528, and bears interest at 3.07% per annum.	271,609	401,332
Ontario Strategic Infrastructure Financing Authority due March 15, 2028, repayable in blended semi-annual instalments of \$89,862 and bears interest at 4.92% per annum.	989,540	1,115,898
Ontario Infrastructure Projects Corporation due September 1, 2022, repayable in blended semi-annual instalments of \$266,865 and bears interest of 2.27% per annum.	524,778	1,037,844
Ontario Infrastructure Projects Corporation due September 4, 2035, repayable in blended semi-annual instalments of \$90,923 and bears interest at 4.51% per annum.	1,872,529	1,966,726
Ontario Infrastructure Projects Corporation due September 1, 2027, repayable in blended semi-annual instalments of \$68,560 and bears interest of 2.78% per annum.	752,976	866,786
Ontario Infrastructure and Lands Corporation due September 16, 2029, repayable in blended semi-annual instalments of \$81,259 and bears interest at 2.19% per annum.	1,186,681	1,320,999
Ontario Infrastructure and Lands Corporation due September 16, 2029, repayable in blended semi-annual instalments of \$228,226 and bears interest at 2.19% per annum.	3,332,960	3,710,213
Ontario Infrastructure and Lands Corporation due December 1, 2030, repayable in blended semi-annual instalments of \$84,821 and bears interest at 1.48% per annum.	1,330,418	1,478,242
	10,261,491	11,898,040

- (b) The long term debt in (a) issued in the name of the County have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (c) Interest paid during the year on long term debt amounted to \$325,051 (2020 - \$344,837).



**8. LONG TERM DEBT, continued**

	2021	2020
	\$	\$

(d) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2022	1,677,314	282,098	1,959,412
2023	1,182,560	240,935	1,423,495
2024	1,071,453	208,841	1,280,294
2025	1,099,131	178,932	1,278,063
2026	1,127,759	148,117	1,275,876
	6,158,217	1,058,923	7,217,140
2027 to 2031	3,444,480	339,363	3,783,843
2032 and subsequent years	658,794	68,589	727,383
	<b>10,261,491</b>	<b>1,466,875</b>	<b>11,728,366</b>

**9. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY**

The estimated liability for landfill closure and post-closure costs for the County's one operational site and the eight closed sites that the County has obtained from the lower tier municipalities by way of a settlement process (see Note 17) is \$24,511,900 (2020 - \$28,793,700). The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. The landfill closure and post-closure liability will be funded from taxation. As at December 31, 2021, the County had a reserve of \$2,350,000 (2020 - Nil) designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining life of the landfill. The total discounted future cash flows for closure and post-closure cost is estimated at \$28,551,932 as at December 31, 2021 (2020 - \$34,244,799) using a discount factor of 2.85% and an inflation rate of 2.0%.

The remaining capacity of the one operational landfill site is estimated at 341,844 m<sup>3</sup> (2020 - 444,997 m<sup>3</sup>) which is 27.1% (2020 - 29.7%) of the site's total capacity. The County estimates the site will continue to operate until 2031.

**10. TANGIBLE CAPITAL ASSETS**

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

	2021	2020
	\$	\$
General		
Land	14,295,087	14,295,087
Land improvements	3,945,203	4,111,398
Buildings	21,334,961	22,960,713
Equipment and computers	14,727,934	15,987,079
Vehicles	5,674,531	5,632,423
Infrastructure		
Roads and bridges	108,969,185	106,027,516
	168,946,901	169,014,216
Assets under construction	30,960,651	14,748,484
	199,907,552	183,762,700

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

During the year there were no write-downs of assets (2020 - \$Nil) and no interest capitalized (2020 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2021	2020
	\$	\$
General government	17,471,322	17,761,846
Protection services	93,418	101,163
Transportation services	116,060,660	113,701,727
Environmental services	31,768,428	32,486,829
Health services	2,236,964	2,308,219
Social and family services	23,876,895	9,224,921
Social housing	6,117,823	5,818,909
Economic development, tourism and forest	2,282,042	2,359,086
	199,907,552	183,762,700

**11. ACCUMULATED SURPLUS**

(a) Accumulated surplus consists of the following:

	2021	2020
	\$	\$
<b>Surplus/(Deficit)</b>		
Unfunded landfill closure and post-closure liability	(24,511,900)	(28,793,700)
Unfunded employee future benefits liability	(4,319,842)	(2,458,376)
Unfunded operating costs	(68,461)	(65,136)
	<b>(28,900,203)</b>	<b>(31,317,212)</b>
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	199,907,552	183,762,700
Long term debt	(10,261,491)	(11,898,040)
Unfunded capital - GPL rebuild (b)	(18,666,345)	(4,027,969)
Unfunded capital - Ambulance	(76,914)	-
Unfunded capital - Archives	(557,842)	-
Unfunded capital - Other	-	(7,780)
Unfunded capital - Northumberland County Housing Corporation	(476,463)	(115,851)
	<b>169,868,497</b>	<b>167,713,060</b>
<b>Surplus</b>	<b>140,968,294</b>	<b>136,395,848</b>
<b>Reserves</b>		
Working funds	-	821,274
Corporate services	25,540,499	22,069,685
Transportation services	14,896,343	12,368,654
Waste services	4,980,002	4,774,273
Social services	1,245,169	685,669
Social housing	13,214,520	12,345,013
Golden Plough Lodge	8,225,735	6,853,903
Ambulance services	1,409,187	1,270,131
Technological development	1,032,453	884,881
Emergency planning	369,518	300,050
Employee health, safety and related costs	6,694,378	3,902,693
Facilities	2,310,702	2,177,960
Economic development, tourism and forest	459,620	257,138
Plumbing and septic inspections	239,626	233,001
Landfill closure	2,350,000	-
Land use planning	188,014	258,779
<b>Total Reserves</b>	<b>83,155,766</b>	<b>69,203,104</b>
	<b>224,124,060</b>	<b>205,598,952</b>

(b) Unfunded capital for the Golden Plough Lodge (GPL) rebuild will be funded with long term debt when the project is complete.

**12. PROVINCIAL OFFENCES OFFICES**

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

Revenues from the POA office consists of fines levied under Part I and III (including delay penalties) for POA charges filed at 860 William Street in Cobourg. Offenders may pay their fines at any court office in Ontario, at which time, their receipt is recorded in the Integrated Courts Operations Network system (“ICON”) operated by the Province of Ontario. The County of Northumberland recognizes fine revenue when the receipt of funds is recorded by ICON and matched to the offence notice, regardless of the location where payment is made.

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

	2021	2020
	\$	\$
Gross revenues	921,002	831,423
Provincial Safe Restart funding	611,272	661,432
Operating costs and allocated charges	(1,077,291)	(1,005,700)
<b>Net County revenue used to reduce tax levy</b>	<b>454,983</b>	<b>487,155</b>

**13. EXPENSES BY OBJECT**

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

	Budget 2021	Actual 2021	Actual 2020
	\$	\$	\$
	(Unaudited)		
Salaries and benefits	45,853,978	47,196,684	44,608,243
Interest charges	543,296	325,051	344,837
Materials	15,707,525	16,962,899	15,307,637
Contracted services	19,381,418	13,873,915	17,720,349
Rents and financial	149,130	246,186	213,754
External transfers	23,694,979	21,573,749	20,223,842
Amortization	9,100,000	9,067,758	8,988,101
Loss (gain) on disposal of tangible capital assets	-	23,824	(56,942)
	<b>114,430,326</b>	<b>109,270,066</b>	<b>107,349,821</b>

**14. BUDGET FIGURES**

The budget, approved by the County, for 2021 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets/(Net Debt). The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

The following is a reconciliation of the Council approved budget amounts to the PSA amounts:

	(Unaudited) Revenue \$	(Unaudited) Expenses \$
Council approved budget:		
Operating and capital	183,500,000	183,500,000
Total Council approved budget	183,500,000	183,500,000
Less: Tangible capital assets capitalized	-	(75,201,174)
Add: Amortization of tangible capital assets	-	9,100,000
Less: Long term debt and short term loan proceeds	(60,178,017)	-
Less: Principal repayment of long term debt	-	(1,747,428)
Less: Net transfers to/from reserves	-	(1,779,927)
Less: Change in unfunded liabilities	-	900,000
Less: Interdepartmental charges	(341,168)	(341,168)
<b>Adjusted budget per Consolidated Statement of Operations</b>	<b>122,980,815</b>	<b>114,430,303</b>

**15. PENSION AGREEMENTS**

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

The Actuarial Opinion contained in the 2021 Annual Report disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets of \$117,665 million indicating an actuarial deficit of \$3,131 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the County does not recognize any share of the OMERS pension surplus or deficit.

The County's required contributions to OMERS in 2021 were \$2,750,029 (2020 - \$2,833,850).

**16. CONTINGENT LIABILITIES**

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

**17. COMMITMENTS**

The County assumed the assets and liabilities of the waste management systems of the lower tier municipalities on January 1, 1991 according to by-law 24-90. This by-law was passed pursuant to subsection 209(a) of the Municipal Act of the Province of Ontario which required the County to pay or to receive from the lower tier municipalities' compensation based upon the discounted future cash flows of the landfill site. The County is involved with ongoing negotiations with respect to the settlements for further sites.

The County has entered into several contracts related to the Golden Plough Lodge rebuild. The total of the contract commitments is \$92,853,752 plus HST. \$18,956,389 plus HST has been incurred related to these contracts to December 31, 2021.

During 2021, the County, on behalf of the Northumberland County Housing Corporation, entered into an agreement in the amount of \$13,668,623 plus HST, for the redevelopment of Elgin Park. At December 31, 2021 no costs had been incurred.

**18. SEGMENTED INFORMATION**

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

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated to the segment. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation levied to lower tiers is allocated based on each segment's net requirements. Internal transfers include the following: 1) Actual wages and benefits expenses for governance, corporate management and information technologies that are allocated based on the segment's proportionate share as determined by head count, revenue and number of computers; and 2) Actual occupancy costs that are allocated based on the segment's proportionate share of the square footage of the County buildings.

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

**General Government**

General government consists of the activities of Council and general financial and administrative management of the County and its programs and services including contributions to the Municipal Property Assessment Corporation.

**Protection Services**

Protection services includes emergency measures, plumbing and septic inspections and Provincial Offences Act charges.

**Transportation Services**

The activities of the transportation function includes maintenance and winter control of the County's roads and bridges.

**18. SEGMENTED INFORMATION, continued**

**Environmental Services**

The environmental function is responsible for providing waste collection, waste disposal and recycling services to ratepayers.

**Health Services**

The health services function consists of land ambulance services and contributions to the local health unit.

**Social and Family Services**

The social and family services consist of general assistance to inhabitants, home for the aged and child care services for the County.

**Social Housing**

The social housing services provides affordable housing to qualified inhabitants of the County and includes the operations of the Northumberland County Housing Corporation.

**Economic Development, Tourism and Forest**

The function includes economic development and tourism operations and maintenance of the County forests.

**19. SOCIAL HOUSING**

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

As the Service Manager, the County is now the sole shareholder of the Corporation.

On January 1, 2001 the Ontario Housing Corporation transferred 14 properties and certain head office assets to the Corporation. The properties transferred carried the following restriction:

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

**20. COMPARATIVE FIGURES**

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

**21. UNCERTAINTY CAUSED BY COVID-19**

In March 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the County's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the County's operations. The extent of the impact of this outbreak and related containment measures on the County's operations cannot be reliably estimated at this time.



# CORPORATION OF THE COUNTY OF NORTHUMBERLAND



## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2021

	General					Infrastructure		Totals \$
	Land \$	Land Improvements \$	Buildings \$	Equipment and Computers \$	Vehicles \$	Roads and Bridges \$	Assets Under Construction \$	
<b>COST</b>								
Balance, beginning of year	14,295,087	4,958,816	61,304,863	27,738,616	15,552,791	191,428,972	14,748,484	330,027,629
Add: additions during the year	-	-	-	134,608	1,265,674	6,370,328	17,563,088	25,333,698
Less: disposals during the year	-	-	-	-	740,193	2,866,685	62,197	3,669,075
Internal transfers	-	-	-	-	-	1,288,724	(1,288,724)	-
<b>Balance, end of year</b>	<b>14,295,087</b>	<b>4,958,816</b>	<b>61,304,863</b>	<b>27,873,224</b>	<b>16,078,272</b>	<b>196,221,339</b>	<b>30,960,651</b>	<b>351,692,252</b>
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	-	847,418	38,344,150	11,751,537	9,920,368	85,401,456	-	146,264,929
Add: additions during the year	-	166,195	1,625,752	1,393,753	1,217,965	4,664,093	-	9,067,758
Less: disposals during the year	-	-	-	-	734,592	2,813,395	-	3,547,987
<b>Balance, end of year</b>	<b>-</b>	<b>1,013,613</b>	<b>39,969,902</b>	<b>13,145,290</b>	<b>10,403,741</b>	<b>87,252,154</b>	<b>-</b>	<b>151,784,700</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>14,295,087</b>	<b>3,945,203</b>	<b>21,334,961</b>	<b>14,727,934</b>	<b>5,674,531</b>	<b>108,969,185</b>	<b>30,960,651</b>	<b>199,907,552</b>

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND



## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2021

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Social and Family Services \$	Social Housing \$	Economic Development, Tourism and Forest \$	Consolidated \$
<b>Revenues</b>									
Tax levy from lower tiers	3,603,731	1,225,058	18,802,098	7,882,832	11,331,990	9,240,059	5,753,193	2,928,497	60,767,458
User charges	881,759	682,213	374,850	7,299,764	384,479	3,227,856	102,161	236,871	13,189,953
Government transfers - operating	959,708	1,192,584	898	10,353	7,877,367	25,806,522	5,840,601	502,175	42,190,208
Government transfers - capital	91,045	-	177,385	-	-	-	397,177	-	665,607
Other municipalities	-	-	1,112,307	68,901	-	-	-	-	1,181,208
Provincial Offenses Act - fines	-	921,002	-	-	-	-	-	-	921,002
Investment income	1,620,766	-	-	-	-	-	337	-	1,621,103
Waste Diversion Ontario	-	-	-	1,152,358	-	-	-	-	1,152,358
Rents	760,781	-	-	5,894	-	-	1,684,307	140,931	2,591,913
Development charges earned	71,948	-	56,625	35,764	-	143,744	18,402	-	326,483
Federal gas tax earned	-	-	2,949,055	-	-	-	-	-	2,949,055
Other	243	-	-	4,211	500	52,244	-	181,628	238,826
<b>Total revenues</b>	<b>7,989,981</b>	<b>4,020,857</b>	<b>23,473,218</b>	<b>16,460,077</b>	<b>19,594,336</b>	<b>38,470,425</b>	<b>13,796,178</b>	<b>3,990,102</b>	<b>127,795,174</b>
<b>Expenses</b>									
Salaries and benefits	7,960,473	1,271,549	3,903,151	3,797,760	11,591,496	16,359,379	696,411	1,616,465	47,196,684
Interest charges	160,488	-	-	132,748	11,333	20,482	-	-	325,051
Materials	2,912,226	275,322	3,609,750	2,275,988	1,342,966	3,623,215	2,371,064	552,368	16,962,899
Contracted services	2,686,097	1,356,433	4,240,080	2,918,777	82,119	1,057,606	827,946	704,857	13,873,915
Rents and financial	139,951	15,363	-	-	18,440	64,480	7,952	-	246,186
External transfers	-	-	-	-	2,534,698	11,922,802	6,968,829	147,420	21,573,749
Amortization	835,701	7,744	5,414,598	1,046,161	652,616	130,147	903,747	77,044	9,067,758
Loss (gain) on disposal of tangible capital assets	-	-	31,005	-	(7,181)	-	-	-	23,824
Internal transfers	(7,660,358)	757,649	477,737	987,541	1,136,893	2,533,991	1,314,568	451,979	-
<b>Total expenses</b>	<b>7,034,578</b>	<b>3,684,060</b>	<b>17,676,321</b>	<b>11,158,975</b>	<b>17,363,380</b>	<b>35,712,102</b>	<b>13,090,517</b>	<b>3,550,133</b>	<b>109,270,066</b>
<b>Net surplus</b>	<b>955,403</b>	<b>336,797</b>	<b>5,796,897</b>	<b>5,301,102</b>	<b>2,230,956</b>	<b>2,758,323</b>	<b>705,661</b>	<b>439,969</b>	<b>18,525,108</b>

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND



## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2020

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Social and Family Services \$	Social Housing \$	Economic Development, Tourism and Forest \$	Consolidated \$
<b>Revenues</b>									
Tax levy from lower tiers	2,172,882	1,179,280	18,102,396	7,951,734	11,536,927	8,921,319	6,168,172	2,740,780	58,773,490
User charges	711,170	473,841	602,563	6,151,128	296,799	3,407,626	67,697	159,789	11,870,613
Government transfers - operating	682,226	1,167,341	(221,236)	497,749	7,056,536	23,184,796	3,749,577	1,031,446	37,148,435
Government transfers - capital	22,260	-	765,441	228,960	-	-	382,654	-	1,399,315
Other municipalities	-	-	817,153	72,499	-	-	-	-	889,652
Provincial Offenses Act - fines	-	831,423	-	-	-	-	-	-	831,423
Investment income	1,132,258	-	-	-	-	-	-	-	1,132,258
Waste Diversion Ontario	-	-	-	1,030,444	-	-	-	-	1,030,444
Rents	760,856	-	-	5,894	-	-	1,782,558	109,255	2,658,563
Development charges earned	-	-	126,910	4,360	-	16,173	9,307	-	156,750
Federal gas tax earned	-	-	3,081,705	-	-	-	-	-	3,081,705
Other	-	-	4,226	1,901	15,453	55,219	-	91,649	168,448
<b>Total revenues</b>	<b>5,481,652</b>	<b>3,651,885</b>	<b>23,279,158</b>	<b>15,944,669</b>	<b>18,905,715</b>	<b>35,585,133</b>	<b>12,159,965</b>	<b>4,132,919</b>	<b>119,141,096</b>
<b>Expenses</b>									
Salaries and benefits	5,963,854	1,226,688	3,818,147	4,141,790	10,722,296	16,561,486	612,548	1,561,434	44,608,243
Interest charges	149,261	-	-	157,568	15,225	22,783	-	-	344,837
Materials	2,663,956	309,262	3,595,600	2,049,143	1,547,915	2,571,173	2,033,982	536,606	15,307,637
Contracted services	2,658,845	1,426,556	3,553,147	7,766,179	61,388	816,641	683,570	754,023	17,720,349
Rents and financial	110,790	13,825	-	-	25,371	1,127	62,641	-	213,754
External transfers	-	-	-	-	2,315,745	11,406,878	5,990,321	510,898	20,223,842
Amortization	817,401	9,396	5,312,251	840,775	616,985	134,328	1,020,391	236,574	8,988,101
Loss (gain) on disposal of tangible capital assets	-	-	58,723	(554)	(115,111)	-	-	-	(56,942)
Internal transfers	(7,298,057)	766,603	407,162	1,055,377	1,051,278	2,431,238	1,130,715	455,684	-
<b>Total expenses</b>	<b>5,066,050</b>	<b>3,752,330</b>	<b>16,745,030</b>	<b>16,010,278</b>	<b>16,241,092</b>	<b>33,945,654</b>	<b>11,534,168</b>	<b>4,055,219</b>	<b>107,349,821</b>
<b>Net surplus/(deficit)</b>	<b>415,602</b>	<b>(100,445)</b>	<b>6,534,128</b>	<b>(65,609)</b>	<b>2,664,623</b>	<b>1,639,479</b>	<b>625,797</b>	<b>77,700</b>	<b>11,791,275</b>

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Northumberland**

#### *Qualified Opinion*

We have audited the financial statements of the Trust Funds of the Corporation of the County of Northumberland (the Trust Funds), which comprise the statement of financial position as at December 31, 2021, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2021, and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### *Basis for Qualified Opinion*

In common with many municipal trust funds, the completeness of the revenue derived from residents is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Trust Funds and we were not able to determine whether any adjustments might be necessary to resident receipts, assets and fund balances at the end of the year.

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

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

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

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

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

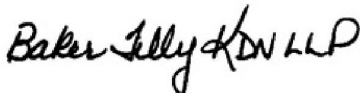
### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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



Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
June 22, 2022

ASSURANCE • TAX • ADVISORY

*Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.*

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**



**TRUST FUNDS  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2021**

	Blacklock Bequest \$	Safekeeping Pensioners \$	2021 Total \$	2020 Total \$
<b>FINANCIAL ASSETS</b>				
Cash	674	28,033	28,707	37,138
Investment (note 3)	118,527	-	118,527	118,049
	119,201	28,033	147,234	155,187
<b>FUND BALANCES</b>				
Due to Residents	-	28,033	28,033	36,469
Bequests	119,201	-	119,201	118,718
	119,201	28,033	147,234	155,187

**TRUST FUNDS  
STATEMENT OF CONTINUITY  
For the Year Ended December 31, 2021**

	Blacklock Bequest \$	Safekeeping Pensioners \$	2021 Total \$	2020 Total \$
<b>BALANCES - beginning of year</b>	118,718	36,469	155,187	151,896
<b>RECEIPTS</b>				
Residents' contributions	-	18,499	18,499	27,287
Interest earned	483	-	483	1,106
	483	18,499	18,982	28,393
<b>EXPENSES</b>				
Residents' personal costs	-	26,935	26,935	25,102
<b>BALANCES - end of year</b>	119,201	28,033	147,234	155,187

*The accompanying notes are an integral part of these financial statements*

**1. PURPOSE OF TRUST FUNDS**

The County is required, under Section 241 of Ontario Regulation 79/10 as prescribed by the Long-Term Care Homes Act, 2007, to maintain a trust fund to manage the funds of the residents of the County's home for the aged.

The Blacklock bequest was created by a donation and is for the use of the County's Long Term Care Home called the Golden Plough Lodge.

**2. SIGNIFICANT ACCOUNTING POLICIES**

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

(a) Basis of Accounting

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

(b) Use of Estimates

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

**3. INVESTMENT**

The investment is recorded at cost plus accrued interest and has been invested in a Renaissance high interest savings account SR F (5001) with CIBC Wood Gundy.



**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**

**NORTHUMBERLAND COUNTY HOUSING CORPORATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**



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

We have audited the financial statements of the Northumberland County Housing Corporation of the Corporation of the County of Northumberland (the Corporation), which comprise the statement of financial position as at December 31, 2021, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Basis for Opinion*

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

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

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

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

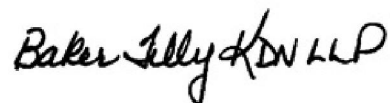
*Auditor's Responsibilities for the Audit of the Financial Statements*

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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



Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario

June 22, 2022

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**



**NORTHUMBERLAND COUNTY HOUSING CORPORATION  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2021**

	2021	2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
Accounts receivable	108,794	68,955
Due from County (note 5)	2,063,976	2,301,073
<b>TOTAL FINANCIAL ASSETS</b>	<b>2,172,770</b>	<b>2,370,028</b>
<b>LIABILITIES</b>		
Accounts payable	219,321	88,943
Deferred revenue	21,542	23,270
<b>TOTAL LIABILITIES</b>	<b>240,863</b>	<b>112,213</b>
<b>NET FINANCIAL ASSETS</b>	<b>1,931,907</b>	<b>2,257,815</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 3)	4,978,600	5,302,402
<b>ACCUMULATED SURPLUS (note 4)</b>	<b>6,910,507</b>	<b>7,560,217</b>

*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**



**NORTHUMBERLAND COUNTY HOUSING CORPORATION  
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
For the Year Ended December 31, 2021**

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>REVENUES</b>			
County contributions (note 5)	2,661,960	2,337,922	2,934,378
Government of Canada	2,885,000	58,927	30,000
Province of Ontario	140,000	367,074	71,377
Rent	1,567,000	1,684,307	1,782,558
Recovery of expenses	10,000	67,068	31,702
Other	494,788	48,658	30,795
<b>TOTAL REVENUES</b>	<b>7,758,748</b>	<b>4,563,956</b>	<b>4,880,810</b>
<b>EXPENSES</b>			
Insurance	68,292	72,168	61,067
Professional fees	55,000	34,377	44,981
Utilities	672,514	604,846	610,553
Property tax	514,597	513,951	505,753
Repairs and maintenance	792,880	1,177,393	920,366
Major repairs	725,000	468,446	265,280
Financial expenses	25,048	7,938	62,641
Internal chargebacks			
Allocated administrative services (note 5)	617,926	577,307	472,051
Allocated maintenance services (note 5)	825,702	853,493	747,316
Amortization	1,030,000	903,747	1,020,391
<b>TOTAL EXPENSES</b>	<b>5,326,959</b>	<b>5,213,666</b>	<b>4,710,399</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>2,431,789</u></b>	<b>(649,710)</b>	<b>170,411</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>7,560,217</b>	<b>7,389,806</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>6,910,507</b>	<b>7,560,217</b>

*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**



**NORTHUMBERLAND COUNTY HOUSING CORPORATION  
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
For the Year Ended December 31, 2021**

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	2,431,789	(649,710)	170,411
Amortization of tangible capital assets	1,030,000	903,747	1,020,391
Acquisition of tangible capital assets	(5,097,001)	(579,945)	(263,317)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(1,635,212)	(325,908)	927,485
<b>NET FINANCIAL ASSETS - beginning of year</b>	2,257,815	2,257,815	1,330,330
<b>NET FINANCIAL ASSETS - end of year</b>	622,603	1,931,907	2,257,815

*The accompanying notes are an integral part of these financial statements*

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**



**NORTHUMBERLAND COUNTY HOUSING CORPORATION  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2021**

	2021	2020
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus/(deficit)	(649,710)	170,411
Items not involving cash		
Amortization of tangible capital assets	903,747	1,020,391
Change in non-cash assets and liabilities		
Accounts receivable	(39,839)	17,306
Due from County	237,097	(968,770)
Accounts payable	130,378	27,477
Deferred revenue	(1,728)	(3,498)
<b>Net change in cash from operating activities</b>	<b>579,945</b>	<b>263,317</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(579,945)	(263,317)
<b>NET CHANGE IN CASH</b>	<b>-</b>	<b>-</b>

*The accompanying notes are an integral part of these financial statements*

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

NORTHUMBERLAND COUNTY HOUSING CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021



## 1. SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

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

Rents are recognized as revenue in the period earned.

### (b) Tangible Capital Assets

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

Land improvements	10 years
Buildings	50 years
Equipment	5 to 20 years

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

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

### (c) Deferred Revenue

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

### (d) Non-Financial Assets

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

### (e) Reserves

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

# CORPORATION OF THE COUNTY OF NORTHUMBERLAND

NORTHUMBERLAND COUNTY HOUSING CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021

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## 1. SIGNIFICANT ACCOUNTING POLICIES, continued

### (f) Use of Estimates

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

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

- The amounts recorded for amortization of tangible capital assets are based on estimates of useful life and residual values.
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.
- Allocation of the County's administrative internal chargebacks.

### (g) Inter-Entity Transactions

The Northumberland County Housing Corporation is a subsidiary of the County of Northumberland and is consolidated with the County's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the County.

## 2. UNCERTAINTY CAUSED BY COVID-19

In March 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Corporation's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Corporation's operations. The extent of the impact of this outbreak and related containment measures on the Corporation's operations cannot be reliably estimated at this time.



**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**

**NORTHUMBERLAND COUNTY HOUSING CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**



**3. TANGIBLE CAPITAL ASSETS**

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

	Land and Land Improvements \$	Buildings \$	Equipment \$	Assets Under Construction \$	2021 Totals \$	2020 Totals \$
<b>COST</b>						
Balance, beginning of year	1,396,939	26,891,436	131,377	178,042	28,597,794	28,334,477
Add: additions during the year	-	-	-	579,945	579,945	263,317
Balance, end of year	1,396,939	26,891,436	131,377	757,987	29,177,739	28,597,794
<b>ACCUMULATED AMORTIZATION</b>						
Balance, beginning of year	95,574	23,188,195	11,623	-	23,295,392	22,275,001
Add: additions during the year	20,989	872,648	10,110	-	903,747	1,020,391
Balance, end of year	116,563	24,060,843	21,733	-	24,199,139	23,295,392
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>1,280,376</b>	<b>2,830,593</b>	<b>109,644</b>	<b>757,987</b>	<b>4,978,600</b>	<b>5,302,402</b>

**4. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2021 \$	2020 \$
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	4,978,600	5,302,402
Unfunded capital - Elgin Park	(476,463)	(115,851)
<b>Surplus</b>	<b>4,502,137</b>	<b>5,186,551</b>
<b>Reserve</b>		
Operations	2,408,370	2,373,666
	<b>6,910,507</b>	<b>7,560,217</b>

**CORPORATION OF THE COUNTY OF  
NORTHUMBERLAND**

**NORTHUMBERLAND COUNTY HOUSING CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**



**5. INTER-ENTITY TRANSACTIONS**

During the year, the Corporation entered into transactions with the County of Northumberland.

As part of the budgeting process, the County approves a contribution to the Corporation which is identified on the Statement of Operations and Accumulated Surplus.

Details of the inter-entity expense transactions are as follows:

	2021	2020
	\$	\$
Allocated costs:		
Internal chargebacks - allocated administrative service	577,307	472,051
Internal chargebacks - allocated maintenance services	853,493	747,316
	1,430,800	1,219,367

All balances with the County of Northumberland have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

**6. BUDGET FIGURES**

The operating budget, approved by the Corporation, for 2021 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

**7. COMMITMENT**

During 2021, the Corporation, through the County of Northumberland, entered into an agreement in the amount of \$13,668,623 plus HST, for the redevelopment of Elgin Park. At December 31, 2021 no costs had been incurred.